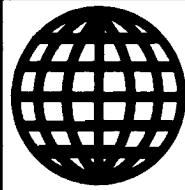


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International Affairs

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Soviet Union International Affairs

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17 January 1991

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Lippmaa on Hurdles to Estonian Independence

91UF0174A Tallinn PAEVALEHT in Estonian
5 Oct 90 p 3

[Presentation by Endel Lippmaa: "Is Going Independent Only the Business of Those Going Independent?" Asks Endel Lippmaa, Minister, Republic of Estonia"]

[Text] JOURNAL AMERICAN, a reputable U.S. periodical, published on September 24, 1939, an article by Commander S.M. Riis titled "Secret Pact Contains Nazi-Soviet Agreement To Rule the World" that also carried the contents of the secret protocol dividing Eastern Europe, along with a map, and the accompanying article by John Houston Craige titled "Japan and Italy To Get Possessions of England and France" where the plans of the triple treaty between Germany, Italy and Japan were clearly outlined. The information was precise, which is not at all surprising, since the U.S. government already had the text of the secret protocol on August 24, 1939. The smaller states, however, were not given an official warning.

All they received were consoling statements from embassies, and expressions of condemnation from democratic states about the forcible annexation of the Baltic states to the Soviet Union. The USSR government informed the government of the Republic of Lithuania about the content of the secret protocol in September of 1939, but it remained a government secret "so as not to cause anxiety among the people."

Super-states have their own intertests, small nations their own, governments and parliaments yet their own, and people as individuals, each their own. It has always been and likely to remain that way—it's not that easy to change human nature.

We are in a contradictory situation

We have been busy restoring our independence since March 30. We are no longer part of the Soviet Union, nor are we fully independent. To really restore independence, we have to hold negotiations with Moscow. We also have to create and strengthen our ties in the southerly, westerly, and northerly directions. Because our status is that of a Union republic—seen from the East, and that of an occupied country—seen from the West, our approaches are different out of necessity. In the East we cannot hold talks at the level of foreign ministries. In the West, however, we can.

We are in a contradictory situation, and the only neighbors sharing this situation with us are the other Baltic states. To coordinate our activity, the Council of Baltic States was re-established on May 12 in Tallinn. And, contrary to previous practice, those belonging to the Council now include chairmen of the Supreme Soviets as well as foreign ministers of governments, hence representatives of both the legislative and executive branches.

The chairmen of the Baltic states Supreme Soviets, acting as the Council of Baltic States, turned to member

states of the European Security and Cooperation Council (CSCE) with a participation request on May 12, and to the Nordic countries in the matter of supporting our independent statehood on June 30, 1990. On the same day, chairmen of the Supreme Soviets took their participation request to the president of Euro-Parliament.

Lithuania, struggling for its independence, was forced to declare a conditional moratorium on all legislation based on its declaration of independence as early as June 27, but no easing of the blockade resulted.

On July 7, the same Council of Baltic States unanimously expressed the protest of its chairmen regarding the blockade imposed on the Republic of Lithuania by the government of USSR. And on July 9 came the executive order from the president of the Soviet Union for holding negotiations with the Soviet Union. Appointed to chair this commission, however, was not the foreign minister but Nikolai Ryzhkov, chairman of the USSR Council of Ministers. As we know, these negotiations never materialized.

Eastern Policy

The Council of Baltic States met again on July 27 in Jurmala, Latvia, where the three chairmen of Supreme Soviets unanimously refused to participate in the preparation and implementation of the new Union treaty for the Soviet Union, and also met with Boris Yeltsin, chairman of the Supreme Soviet of the Russian Federation. It was decided to enter into bilateral political and economic agreements between all three of the Baltic states and the RSFSR to regulate relations between the states. Prime ministers were also busy. Representatives from Estonia, Latvia, Lithuania, the Russian Federation and Moldova, along with those from Moscow and Leningrad, were engaged in solving our problems at a meeting held in Tallinn on August 5 and again on September 27 and 28.

These steps strengthened our stand considerably in relation to the Soviet Union. We became part of the gigantic confrontation between the Russian Federation and the Soviet Union. Conditions have thus been created for successful activity in the future.

On August 7, the Supreme Soviet of the Republic of Estonia passed a resolution about its relations with the Soviet Union. It was resolved to abide by the resolution of the Council of Baltic States passed in Jurmala on July 27, 1990, earlier resolutions of the Supreme Soviet of the Republic of Estonia and, above all, by the peace treaty of Tartu. The 1988 resolution regarding the Union treaty was also annulled.

Results were not long in coming. At the August 16 meeting in Kremlin, that was conducted by Grigory Revenko, member of the presidential council, and attended by USSR Council of Nations chairman Rafik Nishanov and Nikolai Gritsenko on behalf of the USSR Supreme Soviet Presidium, it was decided to appoint

fully authorized representatives to continue the negotiations. Negotiations for an "agreement on relations between the Soviet Union and the Republic of Estonia" took place in Kremlin on August 23 and 30, according to a previously approved schedule. These were discontinued by the Soviet Union on September 6, 1990.

The agreement should have been concluded by October 18, 1990, but it wasn't, since the favorable impression needed to pave the way for the Helsinki summit (the basic requirement for the Houston conference!) had already been achieved. We had simply been used, and that was just fine with the the "Two Plus Four." As stated before, the interests of superstates and small states, especially those of the troublesome Baltic states, do not always coincide.

We and the East-West

All this was to be expected. Signs of another case of "forgetting" were already there toward the end of August. The statement dated September 5 issued by the Council of Baltic States, that was signed by chairmen of the Supreme Soviets and the governments—or better known as presidents and prime ministers—clearly emphasizes that the Soviet Union does not represent the Baltic states, that independence of the Baltic states is not an internal matter of the Soviet Union, that restoration of statehood to the Baltic republics is part of the aftermath of World War II, and that restoring statehood to the Baltic republics requires international negotiations with states participating in the "Two Plus Four." Obviously, this position did not draw any enthusiasm from the government of the USSR.

An international propaganda campaign began where quite openly, in speeches and in the media, USSR representatives of authority maintained that all of the Baltic states are participating in the preparation of a Union treaty. To avoid any misunderstanding, the Supreme Soviet Presidium of the Republic of Estonia passed another resolution on September 7 about refusing the Union treaty and reaffirming its course toward fully independent statehood. Same thoughts were contained in the September 8 statement from the chairman of the Supreme Soviet to the Helsinki summit or, more precisely, to both presidents.

However, as said before, the interests of superstates remain just that. Again, they had a need to reach an agreement and to unify Germany, without any particular concern for the Baltic states. An intensive propaganda wave emerged from both the East and the West on the theme—*don't do anything now, because you could jeopardize yourselves*, which actually meant—*don't do anything now, because that could jeopardize our current plans*. Naturally, our presence in Helsinki remained inadequate.

The "Two Plus Four" agreement regarding reunification of Germany was signed on September 12 in Moscow. This agreement was rather neutral regarding our independence but, in connection with it, World War II was

declared to be over for both the East and the West. On the very next day, September 13, 1990, an agreement of "Good-Neighborly Relations, Partnership and Cooperation" between the Soviet Union and the Federal Republic of Germany was already being negotiated. Section 3 of Article 2 of that agreement reads as follows:

"(The Federal Republic of Germany and the Soviet Union) regard the borders of all the states in Europe, for now and into the future, to be firm as they stand on the day this agreement is signed."

United States Senate[letterhead]

September 25, 1990

The President

The White House

Washington, D.C. 20500

Dear Mr. President:

The Senate will soon debate ratification of the so-called Two-Plus-Four Treaty on unification of Germany. While, on balance, we believe this Treaty serves U.S. interests, we are concerned about its implications for the Baltic Republics of Estonia, Latvia and Lithuania.

Our concerns have been reinforced by recent statements from the three Baltic presidents, Arnold Ruutel, Anatolijus Gorbunovs, and Vytautas Landsbergis, alerting us to the dangers of settling the borders of Germany without simultaneously reaffirming America's long-standing recognition of the independence of the Baltic states.

The Baltic people have long, painful memories. They remember that the West's silence at Yalta sentenced them to half a century of Soviet subjugation. They are, therefore, understandably concerned that supporters of Baltic independence make explicit that this new Treaty in no way compromises our policy of non-recognition of Stalin's forcible annexation.

In light of these concerns, we are asking for your assurance prior to Senate action that ratification of the Two-Plus-Four Treaty is fully consistent with our long-standing policy toward the Baltic states.

Respectfully [signed by]:

Paul Simon, Alphonse M. D'Amato, Richard G. Lugar, Bill Bradley, Carl Levin, Claiborne Pell.

I wouldn't say that somebody sold us out. But we got about as much attention as we would have given to fighting the Stalinist genocide policy against Ingrians or to the plight of our Setu-minority.

The most radical of our right- and left-wing movements and groupings didn't even react much. Reaction, however, came from the Supreme Soviet of the Republic of Estonia, in its statement dated September 20, and from the Ministry of Foreign Affairs in the minister's letter to participating countries of the "Two Plus Four" of the same date. Both documents are asking for their help and involvement in Estonia's independence negotiations with the Soviet Union, participation in the CSCE (Helsinki) process, and concrete steps to be taken in the

border issue that is so very important to us. Both documents protest against Article 2 of the German Soviet treaty of September 13, pointing out that by signing and ratifying this treaty, at least two of the European superpowers consider the Baltic states to be part of the Soviet Union.

The first to react to our protest was the vice consul of the Federal Republic of Germany in Leningrad, pointing out that we had misunderstood the issue, and citing the first section of Article 2 where it says that "*The FRG and the USSR assume the obligation to unconditionally respect the territorial integrity of all European nations within their present borders.*"

The principle is valid, but obviously we are not talking about the same things—as it often happens with complicated issues in diplomacy. What we had feared, had happened. We had lost the first round, and had to get ready for the next.

We are not participating in Paris ...

We had already made our bid for participation in the Helsinki process in Copenhagen, and then again in Vienna this summer, and now at the New York meeting this fall. It was well known that in order for us to participate, either as a member or an observer, we would need the unanimous approval of all the participating European countries. This being difficult to obtain, it was even more amazing to read in our newspapers of October 2 the ASSOCIATED PRESS item by Barry Schweid that had been aired on RADIO FREE EUROPE and that stated, with a reference to anonymous sources, that the government of the United States had given on Monday (hence October 1) its support for the three Baltic states to participate at the European security and collaboration conference, mentioning also that Albania may be permitted to participate as an observer.

This was very good news, indeed. Actually, too good to be true. Especially since the original AP copy did not include the sentence "*The three Baltic states also have the basis and the full right to participate as equal members at the upcoming conference.*" In the October 4 issue of the PAEVALEHT, we could already read that "... hopes were being discussed at the meeting regarding the possibility of a peaceful dialogue between the Soviet Union and the Baltic states. Baker hinted that the United States has never recognized the forcible annexation of the Baltic states to the Soviet Union. The possibility of the Baltic states participating at the Paris summit as observers, however, was given little credence by Baker."

Thus, we cannot participate, but those who support, understand and console us are more numerous than ever before. It is also true that, in principle, the United States was already supporting our participation in the Helsinki process as far back as Vienna.

"Two Plus Four" treaty will be ratified Monday?

Parallel to the New York activity, the third round took place in Washington. In response to the appeal from the Baltic States Council to participants of the "Two Plus Four" treaty, a letter was directed to the president of the United States by six U.S. senators, Claiborne Pell, chairman of the Senate Foreign Relations Committee among them, asking the president to confirm the consistent application of U.S. policy toward the Baltic states, and that before ratification of the "Two Plus Four" treaty in the senate. This proposal meant senate control over administration who, under the load of its many urgent problems, was not about to rejoice over it. Or, as expressed in the quote of Toomas Hendrik Ilves in the PAEVALEHT of September 30: "Nowhere in the world is a parliamentary assembly given the right to conduct its own foreign policy. Foreign relations committees can be in conflict with ministries of foreign affairs, as was the case during the U.S. Vietnam War, but such foreign committees can, even in a situation of conflict, only make inquiries, or suggestions in official reports, but not enter into treaties or negotiations. The fact that this should be explained to some foreign relations committee says everything about the understanding of such a committee about foreign affairs." Poor Claiborne Pell and other senators. They went even further and prepared for the October 2 session of the U.S. Senate an addendum to the ratification documents of the "Two Plus Four" treaty, worded as follows:

"It is the opinion of the Senate that the president should take adequate steps to guarantee that no government would take advantage of the U.S. side of the "Two Plus Four" ratification act, and of the fixing of borders for the Federal Republic of Germany, for the purpose of lessening or compromising United States policy of not recognizing the forcible incorporation of the Baltic states into the Soviet Union." Right at the start of the session, senator Helms said that "The U.S. has never recognized the incorporation of the Baltic states by the Soviet Union and we do not accept the occupation of their territories by force. However, since the preamble of the "Two Plus Four" treaty refers to the final Helsinki accord, it could create the basis for legalizing the Soviet occupation. The Soviet Union can make immediate use of it against the Baltic nations. We don't want that to happen. The policies pursued regarding the Baltic states should be put on a legal footing."

The fact that the State Department is against it is of little concern to him, the senator said.

Immediately after that senator Pell, chairman of the foreign relations committee, remarked that the Soviet Union has announced: we are dealing with the last document putting an end to World War II. The senate should not create a precedent according to which the Baltic states could be considered part of the Soviet Union. A supporting speech was also given by senator Lugar. The firm stand of the senators was sustained by the September 28, 1990 letter from representatives of the

Baltic states (E. Lippmaa, A. Krastins and C. Stankevičius) addressed to the U.S. Senate. The letter had been prepared at a special coordinating meeting for independence negotiations held at the Supreme Soviet of the Republic of Latvia, in Riga.

Our striving for independence, or regional politics, as seen from the superstate point of view, landed us in the middle of internal political problems of the same superstates. We know quite a bit about problems within the USSR leadership, about the difficulties of prime minister Nikolai Ryzhkov in the Supreme Soviet of the USSR and especially in that of the Russian Federation, where he has been asked to resign his current position.

All of this is normal politics, typical also of the United States. Due to such contradictions, the propaganda mills of both the USSR and the United States have been working full speed, and we have had to send assurances to both sides that we do not intend to participate in the Union treaty, nor in anything else that has to do with the Soviet Union, even if that would provide an elegant solution to problems left behind by World War II. The last assurance from us saying that Senate action is indeed needed, went out from the Supreme Soviet Presidium of the Republic of Estonia on October 3, 1990.

To paraphrase Ostap Bender we can say that going independent is the business of those going independent. They will get help when there is an overlap of interests, otherwise such help will be limited to supportive, hostile or polite statements. And if the U.S. Senate made a mistake by conducting foreign policy in an unacceptable way, and seeing connections where they don't exist (like those between the "Two Plus Four" treaty and the statehood, border and general allegiance issues of the Baltic states), then we can leave it all to the collective conscience of those esteemed senators.

German Unification, Helsinki Process Linked

91UF0263A Moscow *IZVESTIYA* in Russian 18 Dec 90
Union Edition p 4

[Report by IZVESTIYA special correspondent B. Lysenko: "Old Fears in New Clothing"]

[Text] Berlin-Moscow—The subject of the seventh international colloquium of scholars conducted by Humboldt University in Berlin—"The Change in the Helsinki Process in the Context of a United Germany. Cooperation and Conflict in the New Europe"—was undoubtedly of interest. Over 50 scholars from 15 countries of Europe and the United States had gathered on the outskirts of Berlin, in the suburb of Gosen. The largest number of participants represented Germany.

The debate demonstrated the striking unity of figures of science from various countries in the appreciation of the need for Europe's further development under the aegis and within the framework of the Helsinki process. Disagreements concerned merely the purely tactical approaches, "of taste," it may be said, to the problems of

all-European security. Some people proposed, given the creation of new security structures, adherence to the propositions determined at the recent Paris CSCE. Others advocated an expansion and deepening of the functions of the Council of Europe—an intergovernmental organization of 24 European countries. Yet others considered it important to establish in parallel joint commissions in respect to all fields of the political, military, economic, and humanitarian development of the future of Europe. The idea of the creation of a military committee or commission for reinforcing the confidence-building measures and reducing the threat of war found support among the scholars also.

Examining these issues, the participants in the debate proceeded, as a rule, from the fact that what was new that had emerged on the political map of the continent—a united Germany—would remain a "stabilizing factor in Europe," although they did not rule out possible contradictions and fissures between Germany and its Western allies.

A multitude of constructive new proposals, on the whole, pertaining to the whole set of problems in building a future Europe from the Atlantic to the Urals was expressed. But what was striking was this: As soon as it came to be a question of the participation of the Soviet Union in this building, many people began to talk in this form or the other (at times very politely) about the "threat" to Europe from the East. What was meant here was not the whole of Europe, but merely its western part, and by "East" was implied specifically the Soviet Union.

No, it was not a question of that former "threat," about which we have been hearing for several decades running—not about the "invasion of Soviet tanks." It was stressed at the colloquium that the disarmament process and the reduction in arms and armed forces in Europe had become irreversible and had changed the situation on the continent fundamentally. The Soviet Union had become a partner in the all-European dialogue. But, however paradoxical, the question of the new "threat" on the part of the USSR was heard quite insistently.

The participants in the colloquium voiced various misgivings. They were all united by a sincere concern for the overall situation taking shape in the USSR. Some fear a further deterioration in the economic situation in our country, that, in their opinion, could lead to economic and political chaos, which would undoubtedly have a negative effect on the situation in West Europe. Others are fearfully expecting a military coup in the USSR, linking it with the prospect of a return to a new "cold war." There were also many who are afraid of a disintegration of the USSR into individual states possessing nuclear weapons, which, they believe, would sharply destabilize the overall situation in the world. The most specific fears expressed by the majority concern the likely influx into the West European countries in the immediate future of Soviet citizens wishing to find work, new prospects and a different life. "An obstacle wherever

you turn," as they say. Western scholars have quite a gloomy view of our prospects.

Of course, it cannot be denied that the profound economic and political crisis that has gripped our country is rightly causing the West concern. But at the same time there is also the fact that the West European representatives possess fragmented, one-sided information about us compounded by cliches of the past attitude toward the USSR. For this reason their arguments sometimes go far beyond the framework of current realities.

In addition, Karsten Voigt, prominent politician of the Social Democratic Party of Germany, argued in this connection (on a purely theoretical level, it is true) about the entirely probable need for the creation of a kind of belt of neutral states that would perform the role of buffer between the USSR and West Europe. The buffer would in this case be Poland, Czechoslovakia, Hungary and, possibly, other East European countries. It is difficult discussing any building of a common European home here. The more so in that account is not taken here either of the wishes or aspirations not only of the Soviet Union but also of the "buffer" states themselves, which most likely have no inkling of the kind of future being prepared for them.

Despite the somewhat panic evaluations of the prospects, one was struck by the sincere affections of the European scholars for the democratic changes occurring in the USSR, albeit for far from all. There is a great desire to help us to ensure that the country not break away either to the left or the right: to help economically, politically and morally to ensure that the constitutional process of development continues and that the anarchic-radical trends be stifled by legal measures.

The arguments concerning the "threat from the East?" Indeed, this is not only a tribute to the past, not only an indicator that the ideas of the new political thinking have yet to take root in the West. The present discrepancy between our state's foreign policy concept and its domestic policy also serves as a nutrient medium for the new apprehensions. The sooner we recognize it and the sooner the state of affairs is harmonized, the fewer fears—and obstacles to the building of the new Europe—will remain. Unless we do so, the current gap between our state's foreign and domestic policy could in the future lead to considerable misunderstandings in East-West international relations. Such is one conclusion that it might be worth drawing from the debate in Gosen.

Soviet Peace Committee Chief on Goals, Achievements

91UF0265A Moscow PRAVDA in Russian 15 Dec 90
Second Edition p 5

[Article by Genrikh Borovik, chairman of the Soviet Committee for the Defense of Peace: "People's Diplomacy: Is It Worth What We Pay For It?"]

[Text] Just one of the initiatives advanced by the Soviet Committee for the Defense of Peace will bring 100 million rubles [R] in profits to our country next year.

I intentionally highlighted the financial side of the problem because in our hard times this issue interests many people a lot more than anything else.

I want to begin with the Meeting for Peace which took place in Kansas (USA). It acquired some special fame after a USSR Supreme Soviet deputy spoke against it. "A meaningless pleasure trip," was one of the mildest comments heard then. I do not want to argue with this opinion, all the more so because at that time there were many more opposing points of view. You could learn about them from the press and television. I just want to add some excerpts from a letter received the other day by the Soviet Committee for the Defense of Peace from Mr. Mike Hayden, Governor of Kansas.

"It was the most important international event in the entire history of our state," says the governor. Its activities, with the participation of U.S. President Ford, the meetings of its working groups in four cities—all of that gave the meeting a character, which was in many ways historical. The program of home hospitality allowed several hundred Soviet citizens to establish close contacts with over 175 American families. The Soviet-American working groups developed relations which will enable us to carry out important co-projects as early as in the next few months... Millions of Americans who live in the Midwest of the United States, including the residents of our state, have changed their views on the Soviet Union because now our relations with your people have acquired a very personal touch..."

This is how the governor describes the Meeting for Peace. For many, many months thousands of Americans worked on organizing the meeting (it was their initiative, it was their invitation, and they naturally paid the full cost of having the visitors there), they collected money, they waited for the Russians and got excited about their visit.

The Russians finally came. Not only Russians, but also people from all of our republics, from almost every oblast and kray of the Union. As you can judge for yourselves, even by the governor's letter, the meeting was obviously useful and helped strengthen trust among the people. The reception the Americans extended to their visitors was amazingly warm and sincere; The people were housed in American families and treated like loved ones.

And now imagine this: Just a few days passed after the hosts and the guests exchanged hugs, handshakes, addresses, and phone numbers, after they signed protocols of intentions outlining future co-operation on various projects. All of a sudden the news spread over Kansas that this wonderful burst of friendly emotions was characterized by someone in the Russian parliament as nonsense. The somebody also made a tactless comment about their compatriot and national hero, General

Eisenhower, who contributed so much to our mutual victory over fascism and to the first efforts towards mutual understanding between the two nations during the worst years of the "cold war."

"Those Russians are strange people!" such words, accompanied by a bitter smirk, would probably be an American's mildest reaction. There are worse ones: "Can we do any business with them at all?"

However, at the beginning I promised to talk about finances and for that reason I would like to speak in more detail about the expenditures involved in that trip. Another reason being that the objective report submitted by I.D. Laptev, chairman of the Soviet of the Union, to the Supreme Soviet, which was substantiated by official documents and a legal analysis of them, has not been published in the press, unfortunately.

It has already been mentioned that the Soviet Committee for the Defense of Peace did not spend a cent (in hard currency) on the delegation's visit to the United States as they were guests of the Americans. The tickets for the Aeroflot charter flight were paid for with ordinary rubles given by sponsors, local committees for the defense of peace, local branches of the peace foundation, and newspaper offices. The same ordinary rubles were used to pay for what is known as token currency which our committee saved out of the funds it acquires annually with soviet money from the Ministry of Finance for all transportation expenses involved in foreign trips (the rate is one "wooden" ruble for one token currency ruble). With this token currency we cannot buy any syringes, pantyhose, food, etc. from anyone because it does not exist for trade deals but is exclusively for Aeroflot payments. (An official letter from the USSR State Bank should put an end to all the amateur arguments in this respect).

Aeroflot officially declared that it had taken no losses from the flight to Kansas. On the contrary, it profited from the trip since, instead of flying an empty plane on certain legs of the route as somebody stated, it actually nicely carried passengers and cargoes. The Aeroflot has hundreds of similar flights every year. I can only add here that within the last few months six foreign charter flights arrived at Sheremetyevo at the invitation of the Soviet Committee for the Defense of Peace (and they naturally paid their way themselves, we did not do it). These flights brought in additional, real hard currency in payments to Aeroflot for services rendered on our territory.

In December two Boeing planes will carry medical supplies to Moscow. The supplies are donated to the Peace Committee by an American partner organization. The medical supplies will be handed over, free of charge, primarily to children's hospitals, but Aeroflot will receive a considerable amount of dollars for servicing and refueling the Boeings.

I have read all I have written so far and wondered: What deep financial jungle I have to get into in order to defend a good deed against unfair attacks!

Here is why all this is most unusual for me. I have been the Peace Committee chairman for 3.5 years, for which work I have not been paid any money or been given any benefits or privileges. According to my status as a volunteer official, I do not deal with committee finances, I do not have the right to sign any financial documents, and I have nothing to do with appropriation of committee funds. My functions, as well as the functions of our entire volunteer bureau, are to provide political guidance and determine the direction for our work.

Why did emotions become so turbulent around such a good thing?

I can only explain it by the fact that we have some people who are always ready to support any "unmasking", even a false one. Some people sincerely give in to emotions: There speaks a man who dares to denounce the "meaningless waste of money." Others plan on gaining popularity with their constituencies. Still others are naive enough to think that we can bring order into our economy simply by canceling all expenses.

Human contacts and mutual trust add up to priceless capital which does not have a concrete cost. It is even more true if these values replace those that are lethal for all of us, such as nuclear opposition or readiness for a war with each other. Just as real culture cannot be "unprofitable," there can be no "unprofitability" in the mutual understanding among the nations.

But we live in hard times and we are just learning to count. For that reason I want to try to illustrate the efficiency of people's diplomacy with the help of a few mathematical examples.

The USSR Council of Ministers State Commission on Foreign Economic Relations and the RSFSR [Russian Soviet Federated Socialist Republic] State Committee on Economics have informed us that one of the initiatives advanced by the Soviet Committee for the Defense of Peace a year ago, as a result of one of our people's diplomacy actions, will bring over R100 million and about \$15 million of net profit to our country in the coming year alone. Please take note that it is net profit I am talking about and not credits or donations. This profit will come from our business cooperation with a major American-Canadian firm. Our people will also get from it good quality, inexpensive, clothes that are in mass demand.

This sum is hundred times larger than all the sponsor expenditures on our Kansas trip as well as all the expenses of our Peace Committee on people's diplomacy and on all the meetings, "round tables," and conferences that it involves. In other words, it is larger than the entire budget of the Soviet Committee for the Defense of Peace for the 15 years of its existence. (Three percent of this

profit will be directed through our committee to the hospitals for Chernobyl children).

One more example. Some time ago, the Soviet Committee for the Defense of Peace initiated the issue of the now famous, commemorative "disarmament coins." They were made from the metal of Soviet missiles, dismantled in accordance with the INF Treaty. Our partner organizations which started marketing the coins in the United States told us that the Soviet Committee for the Defense of Peace would get some \$1.7 million for them. (This money will also be used to help the sick children).

We, by the way, have already sent several thousand disposable syringes and certain foreign-made medical supplies to the Minsk hematology clinic for children, to the children's convalescent center that we organized in Semipalatinsk, and to some other hospitals. These supplies were paid for with the money earned by our committee. (I want to emphasize the word "earned", not received as donations but earned through our people's diplomacy actions.) We sent several dozen foreign-made wheelchairs to Afghanistan veterans. About a hundred children from Gomel Oblast were sent this year by our Peace Committee ("The Samantha Smith Children's Diplomacy Center") to recuperate in the United States, at the cost of \$4,000 per child. Next year the same number of children will be sent there for medical treatment. In both cases the expenses will be paid by our

partner organizations in the United States. (The Soviet Committee for the Defense of Peace will only pay the airfare.) Two hundred and forty Ukrainian children were given the opportunity to recuperate in Holland.

Would all this be possible without human contacts, born out of people's diplomacy? Never!—is the categorical answer. So, does people's diplomacy "pay" for itself? Even these examples of concrete help to our people enable us to say: not only does it pay for itself, it also rewards us generously for our efforts and expenses.

The reason I am talking about this is the lack of knowledge among our people, and that includes our people's deputies, about the concrete acts of people's diplomacy. Unfortunately, our life at present is such that they write and talk about good things very little. But the door is wide open for the widest public knowledge of evil, which is described on newspaper pages, on TV screens, and through the Supreme Soviet microphones.

People's diplomacy has enormous possibilities and numerous problems and shortcomings which we openly discuss. We are open for friendship with anyone who is prepared to work for peace with us, in our house and everywhere else in the world. We are happy that our committee has started to do things resulting in concrete benefits for our people and for our perestroika. This is the reason why we have millions of times more friends than we have enemies.

Motives, Actions of NTS Pondered

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[Article by K. Grekov: "The Abbreviation of a Detriment—Regarding One Expulsion"]

[Text] *An event occurred in Leningrad in the first days of November that does not happen frequently in our time: Two foreigners were expelled from the USSR. Although, according to their passports one was a Chilean man and the other a French woman, both are Russian, from emigre families, and the former had never been in the native land of his fathers and grandfathers. Those expelled from the country are Boris Miller and Natalya Makova, who formally came to the USSR by private invitation, but who actually were working as emissaries of the NTS.*

Many readers, possibly, will recall that this abbreviation [NTS] denotes the National Labor Union, which came into being in the Russian emigration more than a half century ago. Many such unions, associations, and societies have died out, scattered. But the NTS has been preserved. The reason—its amazing ability to maintain its essence (an aspiration to smash the Soviet system in our country), while changing its tactical methods and slogans.

The very best form of this ability was demonstrated by B. Miller after he arrived in the USSR. Appearing before groups of supporters and those who were curious, he depicted for them the kind of history of the NTS that is useful to NTS followers today.

For me personally, what is always a touchstone is how the next NTS speaker "illuminates" (more likely, obscures) the period of work of the NTS in Hitler's Reich and complicity with the fascist occupiers during the war. We do not feel sorry in our country for Hitlerite stooges. Taking this into account, Miller did not skip over the war years, as some of his predecessors did, but he did not mince matters: We, he said, fought against the Germans. Thus, this is in the best traditions of Goebbels, who used to say that a lie should be so monstrous that no one will doubt that it is true.

Goebbels is not mentioned accidentally. For several months before Hitler's attack on the USSR, Soviet intelligence received information about how the Nazis were evaluating the position of Russian emigration. "Like the ROVS (Russian All-Arms Union—the largest organization that unites military emigres), many other emigre organizations do not have any kind of future, the words of a high-ranking Nazi 'specialist on Russia' stated in a document, and the attitude of German ruling circles toward them is extremely negative. The attitude of the Germans is also negative toward those Russian organizations that are attempting to copy the national socialists and fascists. Neither national socialism nor fascism are export commodities. The NTS is a Russian organization that is building its ideology and its work on purely Russian principles and is not copying anyone. German

authorities are watching the activity of the union with interest and see a great future in it..."

And, at the same time, the NTS was not officially "recognized" by Reich authorities! It is not difficult to imagine how useful this is today for Miller and others to make a clean copy of the history of the organization. But it was not a matter of the alleged opposition of the NTS members. All of this was conducted by German intelligence (abwehr), and there people were working under the command of Admiral Canaris who were no fools.

"In a number of cases, NTS outwardly is conducting its work in secret from the Germans," one of the intelligence reports from behind the front lines notes. The next step was coming up with the successful term "third force." It was so successful that not only those people who were politically unsophisticated and who were cut off from information on occupied Soviet territories fell for the bait, but also some of our contemporaries.

NTS members served on councils and in punitive organs, and some (not all, of course) took part in anti-partisan operations and actively cooperated with German intelligence.

After the end of World War II, a natural change of "sponsors" took place. Since that time, NTS has been fed from CIA funds. The entire NTS leadership receives so-called secret packets from across the ocean—to the envy of the more ordinary NTS members. This, indeed, is a resourceful change of slogans.

Incidentally, even Miller did not conceal who is now the breadwinner of the NTS. And that is what he said: NTS has worked and is working under the control of the CIA. True, he personally did not talk about himself that specifically, but it is said he was being recruited during his stay as NTS resident in Greece, and he allegedly refused; but Miller's predecessor worked for the Americans.

...It occurs to me: But what if suddenly one of the readers will recall the saying "let bygones be bygones?" In other words, is it worth digging up the past?

Our time is also characterized by the fact that many organizations, previously at logger heads, are finding a common language and are beginning to cooperate. Relations are being established and developed with the EEC and with other international organizations in the West. In this context, good relations are being initiated with fellow countrymen abroad, no matter where they live—in the United States or in Israel, in France or in Canada, and with their organizations or with individual persons. But the NTS is not joining in this process. And it is not just a matter of the past, which the leaders of the NTS do not want to disavow, but they are trying to conceal it, distort it, and whitewash it.

As previously, it sets as its objective to change the constitutional system of our state. Confusing, apparently, democratization and glasnost with permissiveness,

it intends to establish the NTS as a political party fighting for power on the territory of the USSR. Bosses arriving regularly from the West will head the local center. Miller, for example, plans to live a month at his place in Paris—and a month in the USSR.

A very important fact is that the NTS plans to get into power not only with the "propaganda of the word," but with something else as well. And here it must not in any case be confused with purely political parties (it is not without reason that in the West the NTS is not contacted by either liberals or conservatives, but only by neofascists). The NTS has a military sector, and its efforts to penetrate the Soviet Army have already been noted. There is also a clandestine sector that conducts covert operations against our country. It is the clandestine sector that sent terrorist spies into Soviet territory in the 1930's and in the 1950's.

The father of N. Makova was also among these spies, and Miller pursued his activities in this sector for 11 years, about which he bragged during his stay in our country.

The situation in our country now is complicated and unstable, interethnic conflicts are flaring up, and blood is being spilled in "hot spots." And then two foreigners who speak Russian well arrive from the West and start to pour oil on the fire. In Riga, they speak against the "empire" and for Latvia's secession, although it must be said that the NTS always took the position of the "unitary indivisibility of Russia." But when Miller and Makova arrived in Omsk, they began to agitate for a monolithic Russia, they spoke against autonomy in our republic system, which, naturally, evoked the displeasure of the Tatars and the representatives of other non-Russian peoples of the multinational federation.

Miller tried to set up NTS cells here, and to recruit "clandestine" members of the organization. This term requires explanation: The NTS does not conceal the fact that not all members of the union are known to "outsiders." It is not difficult to guess that NTS members are attempting to draw those persons under "cover" who possess sufficient opportunities to collect information of interest to the NTS and to the foreign intelligence services that are behind it. Miller also got into those cities that are closed to foreigners (it is pertinent to mention that cities and rayons are closed not only in the USSR, but in the United States as well, and in other states). Miller was warned twice that his status did not permit him to engage in political activity on the territory

of the USSR. But he conducted himself insolently and defiantly with representatives of the authorities.

It should not go unnoticed here that the politically wise West, perhaps, understands the inappropriateness and clumsiness of the NTS provocations better than some of our press organs. Honestly, the authors of some Soviet newspapers, especially the youth newspapers, resemble children who do everything just the opposite "to annoy their elders." And so Miller appears in the angelic form of Little Red Riding Hood who is being pursued by the Big Bad Wolf—the KGB. (This is the impression that is left in particular by the review of Aleksandra Gorshkova in the Leningrad SMENA.)

Other publications cannot in any way resist the sweeteness of forbidden fruit when they contact NTS members who live in the USSR, and they do not want to look soberly at these people who are getting fat on foreign sop. Besides, a terrible squabble is going on inside the NTS fraternity for these "special rations." All of this has a direct bearing on B. Miller's visit. The "gentleman from the NTS Center" intended to convene a meeting of his supporters in Leningrad, where R. Yevdokimov rules the roost. This provoked the savage envy of Moscow activist V. Senderov who called the Leningrad "conference" an assembly of goats.

But the main thing is not in the noise level of this discord, but in the fact that our inveterate "democrats" are touched by all that is happening to no purpose. "Multicolored democracy" was never an NTS aim. They dreamed and are dreaming of a tough regime.

...An event is supposed to take place in Moscow next year that has already evoked tremendous public interest, especially of those who are occupied with problems of the Russian community abroad—a congress of fellow countrymen. There is a hope that it will become the official end of the civil war.

Perhaps, inspired by the Paris meeting, the Moscow congress of fellow countrymen will become the beginning of a real community of "that" and "this" Russia. In the sphere of culture, economics, education, science, and, of course, in the sphere of free and sincere contacts between people. Overcoming the dissension between Russia and the Russian community abroad lies through overcoming the crisis in our country. How desirable it would be if Russians living abroad came to us only with open hearts, with good deeds and peace, without secret designs and secret tasks, and if they came to help, and not to aggravate our difficulties.

MFA Deputy on Soviet Position in World Economy

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[Interview with Ernest Yevgenyevich Obminskiy, USSR deputy minister of foreign affairs, by N. Yakovchuk; date, place, and occasion not specified]

[Text] E. Ye. Obminskiy is a doctor of economic sciences and professor. His diplomatic rank is Extraordinary and Plenipotentiary Ambassador. He worked in the Secretariat of the UN Mission in Geneva and the UNCTAD Secretariat and is a member of the GVK [State Foreign Economic Commission] and the Scientific Consultative Council on Economic Reform of the USSR Council of Ministers and the USSR Council of Ministers VPK [Military-Industrial Commission] Council on Cooperation with Foreign Countries in the Area of Conversion of Defense Industry, and is the leader of a consultants' group under the subcommittee on foreign economic relations of the USSR Supreme Soviet's Committee on International Affairs, and holds other positions.

He has prepared a number of conceptual articles and proposals on foreign policy questions as well as a number of monographs and works on international economic problems.

[Yakovchuk] Ernest Yevgenyevich, how do you assess the USSR's position in the system of world economic ties and how, in your opinion, will it change in coming years?

[Obminskiy] The USSR's role in international division of labor continues to be very modest and is not in keeping either with our economic potential or with the Soviet Union's political weight. No fundamental changes have occurred in recent years.

At the present time the Soviet Union, which accounts for about 20 percent of world production, accounts for only 4 percent of international trade; and in terms of volume of foreign trade turnover per capita, we are in last place among the industrially developed states, including the East European countries. In terms of exports, the Soviet Union is in seventh place in the world after the FRG, the United States, Japan, France, Great Britain, and Italy. Approximately the same picture is found in the area of imports too.

The structure of our foreign trade ties, which continues to have more features in common with developing rather than developed countries, is changing at an extremely slow rate. In 1988 only 7 percent of the new items produced by Soviet machine building surpassed the best world models, and in 1989 this indicator declined to 5 percent. And the proportion of machines and equipment which are competitive on the Western market was, according to the calculations of Soviet economists, only 4.3 percent and 3.7 percent, respectively. Raw materials and fuel account for about 60 percent of the total volume of Soviet exports. This hypertrophied fuel and raw

material orientation of our exports makes the country's currency receipts highly dependent on the conditions of the world markets for raw materials and fuel, which are extremely unstable.

Essentially we are not included in the world flows of capital, scientific-technical knowledge, or high-technology output, or work force either. The country is very poorly represented in the middle, not to mention high, levels of international division of labor. And that is certainly a very alarming symptom. The information and technology revolution is fundamentally changing the structures of world production and international exchange. But our isolation from the world economic processes which are unfolding hides the danger of even greater deterioration of the country's foreign economic position. And catching up is 100 times more difficult from the standpoint of both temporal and material factors.

The strengthening of the Soviet Union's world economic position is being determined in this stage for the most part by the formation of normal market relations in the country, and changing the forms of our participation in international division of labor is closely tied to that. I assume that even a certain decline in the volume of foreign economic ties may occur in the near future because of the grave domestic economic situation. However, as the ruble becomes convertible in combination with the process of denationalization and a stock market is created, we can expect the Soviet Union to be rapidly included in international flows of financial resources, at first primarily as a recipient of capital, of course. This process has already begun, in particular in connection with the creation of joint ventures, but it is being held back for now by the underdevelopment of market relations in the country.

[Yakovchuk] Since 1985 our positive trade balance has steadily declined. In 1989 the fateful line was crossed and we conducted our foreign trade operations with a deficit of 3.4 billion rubles. What could you say about the prospects of developing our foreign trade?

[Obminskiy] The perestroika of foreign economic ties which is underway in the USSR within the framework of radical economic reform has initiated decentralization of management of the foreign economic complex and independent entry of the direct producers onto the foreign market. Today 17,000 different economic organizations have been given this right.

The real results of this process, if they are assessed from the standpoint of the country's payment balance, are negative. The causes of this situation can be basically reduced to two factors. The external factor is the relatively (as compared to the first half of the 1980s) unfavorable conditions of prices on the world market for the main Soviet export goods. The internal factor is that independence in carrying out foreign economic activity

has not yet been provided with an adequate legal mechanism and there are not real opportunities to sell one's output on the domestic and foreign markets.

Further growth in the imbalance in accounts with foreign countries was observed in the first 6 months of 1990. In January to July the foreign trade balance was a negative 7.8 billion rubles; that is related to our increased purchases in industrially developed countries and the instability of commodity exchange with the countries of East Europe. The decline in USSR exports is also the result of the general deterioration in the condition of our economy, above all a substantial decline in the level of production of fuel and raw material goods—the main items that bring in hard currency, violations of delivery discipline, and shortcomings in transport work.

Of course, the deficit balance in USSR foreign trade is a very alarming symptom, but it seems to me that in the next 2 or 3 years we will be able to normalize the situation here if we carry out the domestic and foreign economic measures we have planned. In the domestic sphere they include an entire complex of changes in the economic mechanism, property relations, and state regulation of the economy, including reform of the banking system, which we call transition to the market. In the foreign sphere our merging with the General Agreement on Tariffs and Trade (GATT), the primary international trade system, serves as a favorable factor. In May of this year we received the status of observer in GATT, and in time we intend to become a full member of this organization.

[Yakovchuk] There have been articles in our weekly which attest to the deterioration of the country's currency and financial situation. Many people in the West and in our country are starting to talk of the coming insolvency of the Soviet Union. To what degree are these rumors sound?

[Obminskiy] In recent years the country's currency and financial situation has in fact deteriorated. The foreign debt has risen significantly. According to calculations of the UN European Economic Commission and the Bank for International Settlements, the USSR net debt (the general sum of foreign debt minus our financial assets in Western banks) rose from 14.2 billion dollars in 1984 to 36.4 billion dollars in 1989.

A very grave situation has taken shape with the servicing of ongoing commodity turnover: it has become common for Soviet enterprises and organizations given the right to operate independently in the world market to default on trade transaction payments to Western firms.

[Yakovchuk] But what are the causes, in your opinion, of the deterioration of the country's currency situation?

[Obminskiy] There are several reasons. First, the decline in the purchasing power of our exports combined with a simultaneous rise in import needs. Secondly, the lack of an efficient mechanism for utilizing foreign loan resources.

The situation is also aggravated by the fact that credits are being "eaten up"; and not only in the nonproduction sphere (consumer goods imports) but also in the production sphere, where a large amount of imported equipment still has not been installed.

[Yakovchuk] But what must be done to normalize such a dramatic situation?

[Obminskiy] I would not overdramatize it. A sober look at things is needed here. Frequently international banking and business circles are highly sensitive to various events in our country, as well as to rumors frequently spread for speculation purposes, because they do not have exhaustive information on the country's currency situation (gold reserves, payment balance, and the debt structure). The lack of this information certainly does not strengthen our creditors' trust.

I would not say that we have lost our reputation as a reliable debtor, although undoubtedly the situation which has taken shape requires immediate and effective measures.

[Yakovchuk] What should these measures be, in your opinion?

[Obminskiy] I think that first of all Soviet specialized and commercial banks must be given the right to conduct international accounting and credit operations (with the assistance of USSR Vneshekonombank [Foreign Economic Bank]), keeping monitoring functions in the USSR Gosbank system. This would create the necessary infrastructure for cooperation with foreign banks and would help enlist them in granting credit directly to Soviet participants in foreign economic ties.

Secondly, the time has come to diversify the structure of the country's foreign loans both in terms of sources and in terms of instruments for mobilizing financial resources.

Thirdly, Soviet citizens must be given the opportunity to work on contract with foreign firms in the USSR and abroad; that will create an additional source of hard currency receipts in the country.

A number of other measures may also be proposed. For example, activate contacts with the central banks of developed countries, international currency and financial organizations, and banking supervision organs in order to expand opportunities and improve conditions for the Soviet side to obtain foreign credits.

Undoubtedly we should stimulate the flow into the country of foreign venture capital in the form of direct and portfolio investments based on a comprehensive long-term program for attracting foreign investments to the USSR and creating a legal basis for cooperation in this field which is compatible with world practice.

We must introduce, as quickly as possible, the principle of currency self-support [samookupayemost] by changing from outright budget financing of purchases of

machines and equipment for sectors of the economy (with the exception of the social sphere) to the credit principle of financing these expenditures.

Finally, it is time to set an exchange rate for the ruble which is economically sound and the same for trade and nontrade operations, and by stages make it convertible.

[Yakovchuk] Ernest Yevgenyevich, doesn't the situation where the Soviet Union is simultaneously a debtor to the West and a creditor to the developing countries seem paradoxical to you? Is there a real opportunity to improve our currency and financial situation by regulating the debt of the developing states to the Soviet Union?

[Obminskiy] In principle there is nothing paradoxical in the fact that the country is a debtor and a creditor at the same time. For example, the United States today is the largest debtor in the world and at the same time the main creditor of the developing countries. The effectiveness of our country's credit ties on the whole is another matter. In our case we not only have been unable to utilize foreign credits with adequate efficiency, but we ourselves offered loan resources to foreign countries without the proper economic substantiation and were frequently guided by ideological considerations.

As a result, we are "between Scylla and Charybdis": while not knowing how to pay off our own debts, at the same time we are carrying credit risks from an overaccumulation in our accounts of doubtful debt obligations from other countries. And the total volume of debt of foreign states to the USSR is close to 90 billion rubles.

[Yakovchuk] Is there hope that it will be paid off?

[Obminskiy] The possibility of its being paid off completely seems very problematical to me. For the least developed countries account for about 12 billion rubles of the sum total debt mentioned. We have been forced to resort to partially writing off debts, in relatively small amounts, it is true: at the end of last year 526 million rubles of the debt of the developing countries were written off, including 406 million rubles owed by Vietnam.

Up to now we have been doing a poor job of utilizing nontraditional mechanisms of debt regulation which have become quite widespread in international practice. This refers above all to market methods of regulating debt: contract of sale of debts at a discount, conversion of debts to stock capital of debtor country enterprises, and the like. Undoubtedly it would be a good idea to carry out these operations taking into account the justifiable interests of our debtors and with their consent, in combination with measures to lighten the debt burden of the developing countries which are already in practice, including writing off amounts for the least developed countries.

[Yakovchuk] Obviously the transition to the market requires substantial capital. How do you feel about possible foreign assistance for economic reform in the Soviet Union?

[Obminskiy] Of course, internal resources will continue to be the main source for financing structural changes in the Soviet economy. However, it is precisely in the transitional period, at the turning point toward the market, that foreign aid can "pull through" many elements of reform. It is also obvious that outside support which would provide us with additional resources as well as consultative services would be an important addition to our national efforts to dismantle the command economy and integrate ourselves into the world economy.

Given the urgent and long-range tasks of the country's economic development, this aid could be used in three main directions: to stabilize the payment balance and normalize the country's currency situation, for production investments, and to stabilize the consumer goods market.

Moreover, I would like to especially emphasize the importance of both financial and advisory-technical assistance to us in setting up a market infrastructure. In light of that, it is important that the conditions for granting aid are favorable and allow us to accelerate the formation of an open market economy and significantly lessen social tension in the transitional period.

[Yakovchuk] Ernest Yevgenyevich, when talk turns to credits and foreign aid, the problem of whether these means of foreign aid to perestroika will be used effectively enough bothers everyone. What can you say in that regard?

[Obminskiy] That is a very timely question. I completely share the concern that the capital which comes through international aid channels not be wasted.

We must bear in mind that aid to us is a mutually advantageous matter rather than some kind of charity. It is investment of both "material" and "intellectual" capital which can bring major dividends not only in the form of material yield, but also in the form of a predictable, peaceful future for everyone.

The urgent task is the formation in the USSR of state and nonstate structures able to effectively interact with foreign financial, research, and expert centers in all stages of the joint formulation of programs for aiding reform.

It is important that we prepare ourselves in advance to select projects for financing within the framework of the international aid programs on a competitive basis. This work could be coordinated within the framework of a new interrepublic structure with the understanding that this organ would not dictate the spheres of application of capital, but rather would provide consultative assistance

and the necessary conditions for Soviet enterprises to obtain foreign financial-economic aid.

Obviously, in the near future substantial decentralization of investment programs and redistribution of capital from the state sector to other sectors of the economy will occur. In these conditions it would be a good idea to insure that the particular investment projects completely or partially financed from abroad be offered to all participants in economic activity, regardless of forms of ownership. Different associations and unions can fully represent their interests; and that is confirmed by our contacts with the association of joint ventures and the USSR Union of United Cooperatives.

In order to prepare investment programs with the participation of foreign capital, it would also be a good idea to create specialized institutions to manage property and privatize state property. Such organs have been created in Poland and Hungary and, as practice shows, realistically help attract foreign capital.

[Yakovchuk] The editorial mail also brings a considerable number of letters on the development of joint ventures in the USSR. You hear negative opinions too; for example, people say that in many cases creating joint ventures does not have a desirable effect for society; and there are comments that joint ventures are becoming the personal fiefdoms of slick operators in the shadow economy, and through them "the country is being sold out." What do you think of that?

[Obminskiy] For many decades an anomalous situation existed where foreign trade was almost the only form of economic relations between the USSR and the industrially developed countries. Our economic isolation could not fail to be reflected in the mindsets of most Soviet people in whose minds the "image of the enemy" was deliberately implanted in regard to "capitalist exploiters." Today the words "businessman" and "representatives of business circles" are popular in our country, but that is not enough to break down quickly the vigorous stereotypes which have become established.

Of course, there are other reasons for the at times guarded attitude in society toward attracting foreign capital. We do have a shadow economy and we do have cases of squandering of national property, but these flaws arose and developed right in that period when we were "stewing in our own juices." I think that only immediate incorporation of the principles for carrying on economic activity which are generally accepted in world practice will allow our economy to finally rid itself of past ailments.

If we turn to the history of our Fatherland, we will see how much greater the role of foreign capital in its economic development used to be. In many respects it is precisely because of foreign investments that Russia's industrial production increased almost five-fold from 1880 through 1913.

Unfortunately, the schemes for lengthy use of concessions and attraction of foreign investments to our country were not fated to be realized. The world economic crisis of 1929-1933 sharply limited opportunities to attract foreign capital to our country, but that was not the main reason for the elimination of concessions. This form of international economic cooperation was unacceptable to the administrative-command system which had become established in the USSR.

Let us see what the 2,000 joint ventures in which foreign capital declared as investment is assessed at approximately 2 billion rubles mean to our country. Considering that in the previous decades there were none at all, it may appear that this is already sufficient. But in fact it is a negligible amount! In the U.S. economy, for example, there are about 200 billion dollars of direct foreign capital investment every year.

[Yakovchuk] How do you feel about strengthening the sovereignty of the Union republics, in particular increasing their role in regulating foreign economic activities?

[Obminskiy] I believe that one can only welcome this process. Moreover, I think that only new forms of coordination acceptable to the sovereign republics will allow us to preserve the many advantages long known in the West as "large-scale economy" [given in English and Russian—"ekonomiya za schet masshtaba"]. It is essential that a treaty and legal basis allow all economic organizations, regardless of their departmental or territorial affiliation, to utilize equally all opportunities and advantages inherent in this form of economy.

What awaits us in the future—a multitude of republic markets or a unified all-Union market? Let us look at the experience of economic interrelations accumulated in the world.

Greater interdependence of states and a higher degree of internationalization of international economic ties are the decisive trends in the development of the world economy at the present time. Under their influence, using the instruments of currency and credit relations, the world economy is to a significant degree becoming a regulated and managed economy; the economic boom in the countries of the West which has lasted an unprecedentedly long time proves that.

Given the similarity of global problems, the recognition of common human values, and the need for closely coordinated economic regulation, economic isolation and separatism is becoming more and more illogical.

I am certain that the fundamental transformation of the economy from the administrative-command economy to a market economy can occur most effectively and painlessly only on the scale of the entire country. Only the "economic alliance" which is being proclaimed can maximally smooth out the negative consequences of this

transition and prevent the phenomena of economic isolationism, economic blackmail, and in-kind exchange which have already begun.

[Yakovchuk] Ernest Yevgenyevich, the readers of *EKONOMIKA I ZHIZN* would like to know from what perspective the USSR Ministry of Foreign Affairs deals with economic issues.

[Obminskiy] You see, an economic aspect exists when any foreign policy decision is made, because certain expenditures are needed to realize that decision.

In order to determine the economic efficiency of a particular foreign policy act, a comparative analysis must be made of the real expenditures with expenditures determined on the principle of "reasonable sufficiency." Unfortunately, such evaluations were not done earlier. This resulted in many political decisions entailing large losses. As an example, I will talk of our policy toward China. To deploy and maintain a supplementary military contingent on the border with this country alone has cost at least 200 billion dollars since the late 1960s. Moreover, these estimates do not take into account some 70 billion rubles worth of output which could have been produced by these people in civilian sectors. The enormous economic losses taken by our country as a result of the conflict with China are tied to the curtailment of trade-economic relations, the deterioration of general trade-political conditions, and the expansion of our military and economic aid to a number of developing countries as a result of this conflict.

Economic cooperation with certain countries which was built on the basis of ideological considerations also frequently proved ineffective. Thus, for example, the USSR's losses from trade in raw materials at CEMA prices (as a result of the gap compared to world prices) was approximately 130-150 billion rubles in the period since 1970. And this list could go on.

Further. Economic questions are almost constantly present in the negotiation process. Coordination of the main directions of economic and financial policy has become an integral feature of the West's contemporary political life. It is obvious that the Soviet Union should not remain on the sidelines in these processes, and the USSR Ministry of Foreign Affairs is examining these problems within its range of competence.

I want to emphasize that the MFA's work both in the field of evaluating the economic effectiveness of foreign policy decisions being made and in economic diplomacy is being carried out in ever closer coordination with the involved republics (the RSFSR, Azerbaijan, Kazakhstan, Armenia, and others) and with economic organizations, whose number is constantly expanding.

[Yakovchuk] Thank you, Ernest Yevgenyevich, for your frank and thorough answers. Allow me to congratulate you on the approaching anniversary of October.

[Obminskiy] Thank you. Congratulate your readers for me.

MVES Official on Effectiveness of Soviet Foreign Trade

*91UF0202A Moscow EKONOMIKA I ZHIZN
in Russian No 48, Nov 90 p 20*

[Article by T. Teodorovich, chief of the Foreign Trade Policy Main Administration, USSR MVES [Ministry of Foreign Economic Relations], and candidate in economic sciences: "Is Our Foreign Trade Profitable For Us?"]

[Text] In recent years, foreign economic relations have often been discussed in numerous public speeches and in the general press. These discussions have placed particular emphasis on the shortcomings and errors of a tactical as well as strategic plane in the implementation of these relations. Evidently, I would not be wrong in expressing the supposition that today most Soviet people consider our foreign economic activity to be unprofitable and ineffective. They evaluate it as the direct squandering of resources for export and a lack of understanding of those opportunities which import provides, especially when this concerns obtaining consumer goods.

To a significant degree, the emergence of such notions is explained by the fact that up until recently the general press has not published materials concerning the effectiveness of foreign economic relations as a whole, with a breakdown by goods and individual countries. Nevertheless, interest toward this question is ever increasing.

Acting in the spirit of growing glasnost, the USSR Ministry of Foreign Economic Relations has publicized the primary indicators for 1988 on the effectiveness of Soviet export, import, and foreign trade turnover as a whole. For this purpose, we used the complete and detailed data of the USSR Goskomstat [State Committee on Statistics], prepared on the basis of accounting reports of all the foreign trade organizations regardless of their departmental affiliation.

However, initiative, as we know, is often "punishable". Some of our means of mass information have used the obtained information in a rather unique manner. Refuting from the outset the official Goskomstat reporting data, they have published on their pages a number of articles in which the USSR MVES was accused of misinformation and of a desire to embellish the true state of affairs on the effectiveness of our country's foreign economic relations for the sake of departmental interests. Recently another announcement appeared stating that after publication of the data for 1988, supposedly at the insistence of the people's deputies, these data were once again made secret. A new series of conjectures is beginning regarding the unprofitability of foreign economic relations. We would like to assure our readers, this time on the basis of the data for 1989, that our foreign economic activity continues to bring not losses, but rather positive results.

We must judge the effectiveness of our foreign economic relations primarily by that contribution which they make to the formulation of the country's financial resources due to the difference between national and international production costs of exported and imported goods and services. At the macroeconomic level, the cost evaluation of such a contribution is achieved by means of comparing, on one hand, all the payments to producers of exported products and, on the other, the cost of import in prices at which the goods are released to domestic consumers.

In 1989 all the expenditures for export in domestic process comprised, according to the data of accounting reports, 44.2 billion rubles, which was an increase of 1.3 billion rubles, or 3 percent, over the preceding year. At the same time, the cost of import products increased by 14.6 percent—from 92.5 billion rubles in 1988 to 106 billion rubles in 1989. Such an increase was achieved due to the rise in the absolute cost of the import volumes as well as to the increased relative share of the goods most profitable for import to the USSR—food products and consumer goods. In foreign trade prices the portion of these two commodity groups increased to 31 percent as compared with 28.6 percent in 1988.

The actual net contribution which foreign economic relations made into the resource portion of our national economy in 1989 is evaluated in a cost expression at 61.2 billion rubles, or is equivalent to almost 10 percent of the country's national income. As compared with the previous year, this contribution has increased rather significantly—by 11.6 billion rubles, or 23.4 percent. Thus, the statements about the growing unprofitability of our foreign economic relations are unfounded.

We must, however, consider the fact that the general indicators of absolute effect are significantly influenced by our credit relations. Specifically, for the first time since 1976 the country's trade balance has been totalled with a deficit of 3.4 billion currency rubles, which was covered by the growth in the balance of foreign indebtedness. This means that part of the resources utilized last year will have to be paid for by our export of goods and services in the future.

The use of domestic prices for compiling the cost of expenditures and results of foreign economic activity evokes objections from a number of specialists. Undoubtedly, under conditions when the structure of our effective prices for export and import goods is significantly distorted and diverges unjustifiably from the structure of prices on the world market, this is far from an adequate measure of national economic effect. However, on this basis it would be incorrect, in our opinion, to draw the conclusion that it is totally incorrect to use them for evaluating effectiveness. We must note that according to the prevailing methodology, the national income and economic effectiveness of all economic measures must be determined on the basis of current domestic prices. Their substitution with some "shadow" prices, for example the so-called deduced

expenditures, is permitted. However the actual application of such evaluations is extremely limited.

However, it would be incorrect to overlook the difficulties which have arisen in the sphere of foreign economic relations and which have a negative effect on their effectiveness indicators. Since 1985 we have observed a reduction in these indicators due to the significant deterioration in proportions of world prices on Soviet export and import goods. Despite the active measures for increasing the sales volume of our basic export goods, the currency income from them has not only not increased, but even diminished. In the 4 years of the current 5-year plan, the USSR's overall currency losses from deterioration of trade conditions as compared with 1985 prices have comprised 44.8 billion rubles, including 14.3 billion in 1989 alone. This has notably reduced the country's import capabilities, worsened the balance of trade and payments, and led to increased borrowing on the world credit market.

We are intentionally presenting accounts of the overall end effect from foreign economic activity on the basis of an evaluation of expenditures and results in a single measure, i.e., in current domestic prices. However, if we use the ratio of domestic and actual contract prices on export and import as a whole and on individual goods, then such indicators in many cases may prove to be rather inadequate measures of foreign economic effectiveness due to the unrealistic (inflated) exchange rate of the Soviet ruble. Nevertheless, such indicators are widely used for purposes of economic analysis. They affect the outcomes of economic activity of enterprises and organizations, and therefore will be of interest to our readers.

Effectiveness of export.

The ratio of the cost in foreign trade prices to the full domestic cost (profitability of export) for goods of all descriptions directed for export comprised 136 percent in 1989. It declined somewhat as compared with the 1988 level (142 percent), which means that our export has become more expensive. The average production cost of one currency ruble was at a level of around 74 kopeks for all types of currencies, and in freely convertible currency it was considerably higher and comprised 94 kopeks to a currency ruble.

Our country's basic export goods are fuel, mineral raw materials and metals. These account for slightly over half of the income from export. The average effectiveness of export for this group of goods comprised 188 percent, staying at practically the same level as in the preceding year.

The effectiveness of export of machines, equipment and transport means declined in a year from 142 to 129 percent. In 1989 their relative share in export equalled 16 percent (in 1988—16.2 percent).

The profitability of export of all the other commodity groups, as before, was below 1. The introduction of a new and more realistic currency exchange rate for the

ruble, even with consideration for the upcoming review of our domestic prices, should increase the effectiveness of sale of these goods on the foreign market and will provide an economic stimulus for increasing their export volume.

Effectiveness of import.

The overall effectiveness of import, measured as the ratio of cost of the import goods in USSR domestic prices to their cost in foreign trade prices, increased to 157 percent in 1989 (in 1988 it comprised 150 percent). As we have already indicated, this is to a significant degree explained by the increase in purchase of edible products and consumer goods, for which the effectiveness indicators were considerably higher than the average and comprised 280 and 329 percent respectively. In 1989 the influx of import goods to the domestic consumer market increased by approximately 20 percent as compared with the previous year, while their relative share in the overall market fund increased from 11.3 to 12.5 percent in that year. For many types of goods this indicator was significantly higher. Thus, for light industry production as a whole (fabrics, sewn and tricot goods, rugs, shoes, furs, leather goods) it increased to 24 percent, for sugar it reached 25.4 percent, for tea—35, for vegetable oils—25.6, for medicines—28.2, for washing supplies—22.7 percent, and so forth.

The mass media often presents unsubstantiated judgements on the import of consumer goods. Sometimes we may hear that the purchase of food is supposedly being performed at a loss. At the same time, in 1989 the effectiveness of import of such goods as wheat comprised 136 percent, fresh frozen meat—182, butter—324, and fresh fruits and berries—409 percent.

In regard to manufactured consumer goods the situation is as follows: cotton fabric—319 percent, wool fabric—519, silk fabric—439, rug products—532, coats and outerwear—426, leather footwear—387 percent. As for the effectiveness of import of medicines (108 percent in 1989), the domestic prices on them have been set at practically the level of import foreign trade prices.

It is often proposed that we allocate additional currency for the import of consumer goods, since for a billion dollars it is supposedly possible to buy goods costing 10 billion rubles or more in our prices. Indeed, the import effectiveness of a number of such goods may reach 1,500-2,000 percent. However, a large portion of such products is not related to first priority goods, and the demand for such goods is rather narrow. Therefore, the emphasis on their mass import will lead to a rapid saturation of the market and to the decline of domestic prices (as has already partially been the case with personal computers). Consequently, the budget effectiveness of such import will be reduced. However, the nomenclature of products which are in broad demand and which we need (clothing, fabrics, footwear, furniture) yields an average 3.3:1 ratio of domestic to world prices, and with purchases made in freely convertible

currency this ratio is 5.5:1. Therefore, the all too optimistic hopes for solving the problem of normalization of the domestic consumer market by means of seeking only an additional few billion dollars are far from being a real panacea.

The decline in the currency exchange rate of the ruble will inevitably entail an increase in prices on import goods for our consumers. In connection with this, the effectiveness of purchases of industrial manufactured consumer goods abroad will decline significantly. As for machines and equipment, their import will become rather expensive for our consumers, and an increased demand for current and quality domestic-made machinery will come to replace the "import plague".

I would like to emphasize once again that the resolution of questions of developing the structure of export and import must be based not so much on emotions and notions of prestige as on economic computations and clear effectiveness indicators which take into consideration the prospective changes in domestic prices and the currency exchange rate of the ruble.

MFA Official on Western Hesitation in Economic Relations with USSR

91UF0193A Moscow IZVESTIYA in Russian 28 Nov 90 Union edition p 5

[Article by Ernest Yevgenyevich Obminskiy, doctor of economic sciences and USSR deputy minister of foreign affairs: "Turmoil Is No Substitute for Action; Why the West Is Hesitant About Broad-Scale Financial Cooperation with Us"]

[Text] The question of the role cooperation with the West will play in the development of the USSR's foreign economic relations and in the reform of our economic mechanism is coming up (directly or indirectly) more and more frequently in the continuous parliamentary, governmental, scientific, and other debates regarding the methods of transition to a market economy.

I think that a sober assessment of our prospects in this area should include consideration for the experience of the completed phases of the radical perestroyka of the USSR's relations with the West, including political, economic, and—to a considerable extent—psychological factors.

During the first phase, which began in April 1985, the West was extremely cautious at first. It watched and observed. Its leaders, just as the specialists in Sovietology, believed that the new policy line of the Soviet leadership was only another link in our cyclical development: "thaw—light frost—severe frost." It did not even enter their minds (and they were not the only ones!) that these changes were the precursors of events which would completely upset the pattern of antagonism between the two systems.

Any kind of aid to us, even technical, was out of the question. We could even say that the Western strategists and analysts did not care much in principle about the state of our economy and about what we were building other than missiles, tanks, and aircraft. The rest was unimportant to them: The Western mind was firmly convinced that our huge civilian economy, with all of its black holes, lethal waste, and deadly shortages, was safely tucked away behind the bayonets of border guards and would not cross the state border and, consequently, was no threat to the world economy, especially since what had been coming across this border into the outside world had been mainly the finished products of defense branches—either with export bills of lading or with military estimates. For this reason, the main thing for the United States and its allies was to figure out how long the USSR would continue to pose a military threat to them and whether or not it planned to decrease its pressure on other countries and regions and change its approach to human rights.

We should also remember that even the Soviet leadership's announcement of the policy of the new thinking did not dispel the doubts in the West about our true intentions. Furthermore, these doubts, as well as outright mistrust, were not confined to the "hawks." Many liberal politicians, and especially the broad segments of the population who had grown accustomed to the USSR's "treachery" and "adventurism" in the world arena over the years, were also prone to these doubts.

Therefore, the policy of the new thinking had to pave a way for itself not in a clean field, but through the many hummocks of cold war, through the skepticism and suspicion that had put down such dense roots in Western public opinion.

The actual pursuit of this policy, legally secured by the Congress of People's Deputies of the USSR, offered proof—this time irrefutable—of the Soviet Union's commitment to common human values.

The next phase of our relations with the Americans and other Western countries, which could be described essentially as a time of growing political trust, probably did not start until 1989. We began to be believed and trusted, although we were still being "tested." This, however, was useful, as we learned, as long as the test was mutual and fair. It was on this constructive and pragmatic basis that major breakthroughs were achieved in the talks on disarmament and the resolution of regional conflicts in the Third World, new relations were established with the countries of Eastern Europe and all of our other neighbors, the "German question" was settled internationally, and international standards protecting human rights were acknowledged. All of this definitely strengthened the security of our country and our people, simultaneously lightening our state's heavy burden of senseless expenditures of financial, material, and intellectual resources.

With the support of the Supreme Soviet of the USSR and the republics, the union leadership managed to consolidate the country's foreign political influence considerably and to quickly travel the difficult road from confrontation to political interaction with the Western countries.

These achievements offered the possibility of another, qualitatively new phase in our relations with them—a phase in which political interaction would be supplemented by broad-scale interaction in the economic sphere. There is no need to prove that this would be in our interest: The center and the republics have essentially reached a consensus on the need for this kind of interaction.

In principle, the West is also willing to do this. Its position in favor of the economic support of perestroika was formulated this summer at a series of high-level meetings: of the European Communities in Dublin, of NATO in London, and of the "seven" in Houston.

Something that seemed unimaginable just recently has become a reality today: The doors of international organizations serving as the main stabilizers of the world economic system are open to us.

At the suggestion of the EC and the Western "seven," these organizations are conducting studies of our economy, in conjunction with the Soviet side, which should be finished before the end of the year. We are already getting a detailed and highly qualified independent analysis of the state of affairs in our economy at virtually no cost. The main thing, however, is that these studies will represent an important factor in the West's decisions on the financial support of the Soviet Union through multilateral channels (in addition to the bilateral assistance we have been offered and have received).

It appears that the "economic phase" of interaction with the West is picking up speed, especially in view of the willingness of several European and Asian states to extend us fairly large credits for the purchase of the items we need—from equipment to consumer goods—as well as the humanitarian aid to the victims of natural disasters and industrial accidents.

Nevertheless, the new phase still depends more on politics, on the West's hope of preventing upheavals in the USSR, than on economic considerations. Just recently the West refrained from "financing perestroika" because it did not want to feed the obsolete authoritarian structures. Today these structures are no longer in operation, but the hesitation and doubts have not diminished. The most promising projects are being postponed "to a later date," and things have not progressed much beyond mere "intentions." I must admit that this is not true of all of our partners, but the tendency is clearly there. What is the problem?

Of course, we cannot disregard the economic consequences of Iraq's aggression against Kuwait. The abrupt rise in the price of oil, the large unforeseen expenditures

on the maintenance of the troops sent to the crisis zone, and the higher rate of inflation have certainly absorbed and will continue to absorb billions of dollars in Western financial resources which could have been used to help the USSR under different circumstances. In this connection, I want to stress that this factor must be taken into account by the people who see the economic consequences of the crisis in the Persian Gulf only as an increase in our treasury's currency receipts from the sale of the more expensive oil. Incidentally, as long as we are already discussing this, experts predict a sharp decline in the production of Soviet oil, and especially in its export, primarily because we lack the necessary modern equipment, which can only be acquired in the West.

The main reasons for the West's hesitant approach to broad-scale financial cooperation with us, however, can be found right here. To understand these reasons, it is important to remember the Western countries' initial premise in these matters. The USSR has to begin working on the program for the transition to a market economy before assistance will be offered. Genuinely substantial aid will only be rendered in support of this program.

Now that the political obstacles to this have been eliminated, we still have an economic barrier—or, more precisely, barriers—to cross, but within our own country rather than abroad. Although we have convinced the outside world of the need for our transition to a market economy, we still have not managed to convince our own people.

The actions of our administrative structures, and also our legislative bodies, on the most diverse levels are not helping us surmount their biases. There are objective reasons for this: We have an acute shortage of the kind of knowledge that seems elementary to other countries—the knowledge of how the market should begin operating, how the consumer should be protected, how honest competition should be secured, and how monopolies should be surmounted. There is no complete agreement on these matters. There is no agreement on the main thing either: the true interests of the producer. Without satisfying these, we cannot establish a market or fill it.

Politicians on different sides have tried to convince the population that they have the answers to all of these questions, but their lack of coordination only creates turmoil in the minds of common people, many of whom have tried to keep up with the heated debates and have been thoroughly confused by the medley of economic arguments and political claims on all sides.

We would like to hope for the continuation of the strong interaction by the center and the republics, which began with the adoption of the joint program for the transition to the market economy.

Regrettably, nothing has progressed much beyond this hope.

The arguments between the center, republics, regions, and "local communities" over the specific means, scales, and speed of market reform have recently been supplemented by competition, including public contention, for the right to obtain Western assistance and investments. The problem is that our Western partners have also become embroiled in this turmoil, and many of them—both in government and in the business community—are inclined to wait awhile and give us a chance to figure out everything for ourselves.

We do have to figure everything out, because the future of the country will depend on the moves we choose to make. This is also the key to our economic relations with the West. It will not agree to broad-scale financial and investment cooperation until we have made open, honest, and necessarily competent decisions on the division of legislative and executive functions between the center and the republics. It is important to the West that these decisions result in the preservation of a single economic area and in the existence of administrative agencies with all of the necessary authority on all levels, with clearly delineated jurisdictions in accordance with their delegated powers.

I am speaking here of what the West wants, but all of this is important primarily to us. It is our, not yet independent, producers—the main participants in the future market—who have the greatest need for firm and universally acknowledged rules in the economy, so that there will be as little interference as possible (by the center, the republics, and local authorities) in their daily affairs and so that the movement of their goods within the country will be unimpeded. These are the natural interests of all producers and they are also essential conditions for the effectiveness of their economic operations.

Up to this time, however, these matters of such great importance to the future of producers have been overlooked in the controversy, and most of the arguments have dealt with who (the center, republics, or regions) can perform the functions of distribution best. This has also been revealed in approaches to the division of the still unbaked "pie" of foreign assistance.

If the emotions aroused by perestroika continue to be expressed in arguments over which bureaucratic structure is best, the real interests of ordinary producers (both Soviet and foreign) will be completely forgotten in all of the turmoil.

It is unlikely that anyone would deny the need for the management and coordination of national economic operations. The main thing is not to hurt the interests of republics and regions, and this could be accomplished within the framework of an economic union and a union treaty. Well-planned inter-republic structures will be needed in all of the areas where interests might come into conflict.

As far as the attraction of foreign capital to our country is concerned, this activity is being conducted without

any kind of control whatsoever today. In essence, we are waiting for proposals, much like marriageable maidens in the old days, and usually getting them only from those who see a way of getting a fatter piece of the pie. Frequently, in the "muddy water" of our confusion, it is not we who are catching the fish, but the fish who are mechanically swallowing any bait. There have even been cases in which some of our most prestigious (but not our most open) ministries have granted the exclusive rights to sell ultra-modern, high-technology products in demand in world markets to extremely dubious foreign "partners," who could only be categorized as "small fry" but were among the first to "show an interest."

The competition permeating the entire successful world is still almost never used by us. It is paradoxical but true that in spite of the disconnected and vague functions of government structures dealing with foreign capital, we are still pinning our hopes on "decentralization." (In general, it appears that many of our favorite cliches are far removed from the ideas they are supposed to convey.)

After a foreign businessman has wandered around our bureaucratic forest and goes back home, for example, he invariably begins his report with the words "...there are strange things going on there..." and so on and so forth.

He is told that he has to deal directly with departments, but when he gets there he is greeted with suspicion. (If he

has come here, he must be trying to "get away with something.") They lead him around in circles and kill all of his desire to continue the business relationship. Dozens of examples could be cited. Finally he realizes that he could have negotiated everything in the republics. There he does get a warm reception and has no trouble filling out the forms, but then he learns that he is the one who will have to arrange for transportation between republics, the delivery of freight, the expansion of the market beyond republic boundaries, the safeguards against all types of risks, etc.

Trapped in a vise between the warmth of the republics and the icy silence of the departments, the businessman loses all hope, despite the prestigious appointments he has been granted on the highest levels.

What should have been done, besides strengthening the legal base? In my opinion, we should have had an inter-republic coordinating council on foreign investment, made up of competent, fully authorized representatives from all republics. The council could have become a genuine center for the coordination of policy in relations with foreign investors, equalizing the regulations governing their activity throughout our economic area, with a view to the balanced and mutually beneficial development of all of its elements, helping investors for our own benefit and developing our market for all of us.

French Minister on USSR Trade Prospects

[91UF0215A Moscow SOVETSKAYA ROSSIYA in Russian 1 Dec 90 Second edition p 3]

[Interview with French Minister of Foreign Trade Jean-Marie Rausch conducted by V. Onuchko, IAN and SOVETSKAYA ROSSIYA correspondent in France: "The Capacities Are Far From Utilized; Why Mixed Soviet-French Enterprises Are Experiencing Difficulties"]

[Text] The Franco-Soviet colloquium "From Europe of 1939 to Europe of 1990" has just concluded its work in the French city of Tyonville (Lotharingia). A significant portion of its agenda was devoted to trade-economic relations between our countries. French Minister of Foreign Trade Jean-Marie RAUSCH comments on their status in this interview conducted by V. Onuchko, our IAN and SOVETSKAYA ROSSIYA correspondent in France.

[Correspondent] Mr. Minister, what unrealized capacities do you see in trade between our countries? In your opinion, can we hope that the situation will change after the USSR President's visit to France and the signing of the Franco-Soviet documents on cooperation?

[Rausch] In fact, today's situation in Franco-Soviet trade is very far from being at the height of both country's potentials. The structure of this trade certainly does not correspond to that which usually exists in trade between industrial countries. Export from the USSR to France consists almost entirely of power sources, while France sells the USSR a significant amount of farm products (grain), as well as semi-finished products in the metallurgical and chemical industry. In other words, the portion of scientific-intensive industrial products is extremely inadequate on both sides. In the overall market conditions, the volume of our trade declined last year and even more so in the current year. Other problems have also emerged. On one hand, the French enterprises have encountered delayed payments by Soviet clients, and on the other—the mixed enterprises created in the USSR by French entrepreneurs have experienced numerous difficulties, and some of them have practically ceased their activity.

President Gorbachev's visit to Paris really did help a number of initiatives directed toward correcting this situation. First of all, the credits in the sum of 5 billion francs allocated by France should make it possible, on the one hand, to cover the delay in payments, and on the other—to improve the conditions for sale of French products in the USSR. The primary peculiarity of the agreements signed during this visit is that they are directed toward ensuring a long-term perspective for Franco-Soviet economic relations. That is the goal of the economic part of the Treaty on Agreement and Cooperation, the new five-year program of cooperation and exchange letters on its priority spheres: Nuclear power, high resolution television, and environmental protection. All these measures prove France's desire to develop its economic ties with the USSR. The conditions under

which this goal may be attained, naturally, will depend on the course of economic reform in the USSR and specification of the distribution of powers between the Union and the republics, as well as on the aid which the international community will be able to give to your country.

[Correspondent] At the Franco-Soviet colloquium in Tyonville the USSR business world was represented by the general director of the new corporation "Ural-Conversiya", V. Safonov. In your opinion, what specific interest for the French side could the Soviet sector of conversion represent?

[Rausch] On one hand, the USSR must modernize and rebuild many sectors of its infrastructure and its production apparatus. A number of efforts have already been undertaken in this direction. Specifically, I am referring to the re-orientation of part of the military industry to civilian production.

On the other hand, France needed before and still needs today—since we are speaking of a constant process—the development of important spheres of its industry, as for example metallurgy and automobile building, as well as the conversion of regions whose economy depends on the sectors undergoing decline. Lotharingia is one of the regions which have realized this experience. It has gone from a structure in which the traditional sectors such as coal and iron ore mining have dominated to the creation of more current and varied industrial network.

Thus, there are analogies between the tasks which are facing the USSR today and those which France has already solved. This opens for us numerous opportunities for cooperation. Naturally, French specialists are ready to share their experience. Our enterprises may also become directly involved in specific operations and may cooperate locally with their Soviet partners.

Soviet-Italian Organization To Improve Food Supply Envisioned

[91UF0228A Moscow SELSKAYA ZHIZN in Russian 5 Dec 90 First Edition p 3]

[Interview with Giorgio Dazzi, head of the permanent representative office of the Italian concern FATA in Moscow, by Pavel Ulko; place and date not given: "A Plan for Moscow. Italian Entrepreneurs Participate in an Anticrisis Committee for the Capital City"]

[Text] Permanent readers of SELSKAYA ZHIZN may remember this person. Giorgio Dazzi is head of a permanent representative office of the Italian concern FATA in Moscow. There were quite a few skeptics three years ago when our newspaper reported for the first time the plan of this company to set up an ultra-modern joint enterprise Sovitalprodmash in the city of Volzhsk in order to produce world-class industrial refrigeration equipment on a large scale. However, Mr. Dazzi and his Soviet partners firmly believed in the success of their "hopeless endeavor." They not only believed but they

also overcame every step of the way all the countless difficulties, problems, and obstacles that arise in the way of any project in our country. The plant on the land of Mari has been built. As the Soviet prime minister had an occasion to ascertain personally last week, the deeds of Italprodmash do not deviate from its plans. In early 1991, assembly lines will begin to reach nameplate capacity. This means that it will become somewhat easier for our collective and state farms to store vegetables and fruit. We congratulated on this occasion all of us, consumers, and numerous participants in the project from the Soviet and Italian sides.

[Dazzi] "Thank you for congratulating us. Of course, this is a major endeavor. However, you and I have known each other for a long time now. In all of my interviews, I have said that FATA structures its cooperation with the USSR on a long-range basis. This means that we cannot do without plans for the future."

[Ulko] Even in the current unstable environment?

[Dazzi] A friend in need is a friend indeed. It is important to build new programs of cooperation on a mutually advantageous basis precisely at present, when the situation in the Soviet Union is critical. All countries are interested in the success of perestroyka.

[Ulko] What are the specific plans of your concern at present?

[Dazzi] FATA has become a member of the CHIZIA international concern which, by agreement with the State Commission for Foodstuffs and Procurement and the Moscow Soviet, has worked out a comprehensive general five-year plan for resolving the foodstuffs issue in the Soviet capital and its region.

[Ulko] A foodstuffs program for Moscow?

[Dazzi] No. At issue is the creation of a large consulting and implementing Soviet-Italian structure. We call it the Agency for the Study, Development, and Management of the Foodstuffs Market of the City of Moscow. This organization will not have direct administrative responsibilities. However, in view of the fact that it will have a certain budget, I believe that the participation of the agency in overcoming the food crisis may become decisive.

[Ulko] What will the source of these funds be?

[Dazzi] This is a somewhat delicate question. They will tell you accurately at the Moscow Soviet if they see fit. However, I may say that both the Italian and Soviet sides will invest these funds.

[Ulko] If I understood it right, at issue is the creation of an anticrisis committee for the Moscow megalopolis with foreign participation.

[Dazzi] Absolutely correct, but only at the first stage. Many Soviet people believe that crises such as the current one in the USSR are a hallmark of your country

only. Actually, all of the developed countries of the world have experienced something similar. There have been horrible shortages, ration cards, speculation, and smuggling. Therefore, the task of the agency is to create conditions for the emergence of regular market relations in the Moscow region by solving mundane problems.

[Ulko] Therefore, will the general plan be a set of specific measures?

[Dazzi] Both yes and no. Of course, priority measures are set forth in detail. They include the protection of the low-income strata of the populace. However, our program is sort of multidimensional. It includes both organizational and purely technological measures. They will address both current problems and those that will develop in the future.

[Ulko] Will the agency replace the Moscow Agro-Industrial Committee in this manner?

[Dazzi] No. The structures should operate simultaneously. The Moscow Agro-Industrial Committee is a legal power. The agency is an organ for organizational and economic endeavors.

[Ulko] Is this to say that in five years, Moscow will have a regular foodstuffs market in the commonly accepted meaning of this word?

[Dazzi] Perhaps, not so categorically. It will be more accurate to say that if the work of the agency on implementing the general plan proceeds in keeping with our plans, the foodstuffs situation in the Soviet capital will be resolved, according to our calculations which have been subjected to a very stringent expert review by Soviet economists. At the same time, the foundation will be laid for healthy rather than "wild" market relations.

[Ulko] What happens later?

[Dazzi] I believe that the anticrisis functions of the agency will become secondary. It will become involved in consulting and implementation activities to a greater degree.

[Ulko] In a word, we will have to rely entirely on foreign experience. We will not overcome the crisis otherwise.

[Dazzi] Not at all. First of all, the agency is a joint organization, and your specialists will always be able to have a say. Secondly, the draft provides for the continuous monitoring of the activities of the new organization by the Soviet side. Furthermore, no administrative functions are involved in these activities. Most importantly, there is the framework of Soviet legislation!

[Ulko] Looks like it is all there.

[Dazzi] Well, for now it is in theory. However, a very large group of scientists of world renown, both Italian and Soviet, have worked on this project. There is still a lot to be done though. On 11 December, a presentation of our program will be made. I believe that new ideas and

constructive remarks will be voiced there. After all, the project is comprehensive and flexible. It can accommodate good ideas regarding new forms of economic operations and specific business proposals by Soviet and foreign organizations and private individuals.

[Ulko] Let us wish success to both of us.

Giorgio smiled and knocked on the wooden top of the desk.

FRG Discrimination Against Former Communists Hit

*91UF0239A Moscow SOVETSKAYA ROSSIYA
in Russian 6 Dec 90 Second Edition p 3*

[Report by TRUD correspondent I. Osinskiy: "Heterodoxy and Democracy: The Practice of 'Restrictions on Professions' Spreads Fast in East Germany"]

[Text] Not too much time has elapsed since the date of the German reunification; since then changes have taken place in its eastern part, the former GDR, but, along with the positive ones—such as economic changes—other social phenomena of the kind that citizens of the socialist state had never encountered before, have become a reality. According to the TASS correspondent in Berlin, among them is the practice of "restrictions on professions."

Obviously, gross violations of the constitutional right to work—such as unlawful dismissal, nepotism, bureaucratic approach to grievances—had existed under socialism as well. But the current situation is much worse. Under the specious excuse of protection of democracy, an all-out loyalty check is being conducted. Those who do not pass it are in danger of immediate dismissal.

...Manfred Beversdorf, a teacher from Neubrandenburg, has been teaching for over 40 years; he has a candidate of sciences' degree and for many years has been an intermediate school principal. He is full of life and energy. There has always been a benevolent and creative atmosphere in the collective headed by him. But all these objective factors had been overridden by a "weightier" one—his "leftist" convictions. During the negotiations on the GDR-FRG state agreements, and after the German reunification, the teacher spoke up in defense of keeping the state day-care centers, free school lunches, and other socialism achievements. This turned out to be enough to fire him from his principal's post without any grounds.

M. Beversdorf related his sad, but—alas!—not so rare these days, story at the conference of "Against the Restrictions on Professions" movement, that took place in Berlin in the end of October.

These people had been brought here not only by fear for their future, but also by the realization that it is impossible to stand against sophisticated discriminatory policies on one's own.

The practice of "restrictions on professions" has spread in the FRG since the beginning of the 70's, although persecution on political grounds had been used even before that. There are over 10,000 officially registered cases where people had been refused jobs simply because their views were different from the standards accepted in a capitalist state.

The first victims were the teachers. They had been, and continue to be, fired for their loyalty to Marxism-Leninism; in Berlin's Marzahn District alone 80 highly qualified teachers had been dismissed from schools. They had been dismissed for being members of the former Social Unity Party [SED] of Germany or the current Party of Democratic Socialism, for raising many generations of people who believed that it was not socialism that had been guilty of gross violations of human rights but its no-so-smart interpreters.

The firing spree included employees of the former Ministry of State Security. During the past few months none of the former employees of that ministry, or of former SED leadership, had been convicted or stripped of his citizen's rights. After shuffling mountains of documents, the justice department still had not found any clear evidence that these people had violated the law. However, unofficially the bourgeois Themes is already presiding over its speedy—and not always fair—trials.

One could suppose that Rostok's city authorities simply got overzealous in their witch hunt. But here is a document—a GDR Council of Ministers' decree of 23 May 1990. This decree prescribes the closing of Marxism-Leninism departments in all institutions of higher education, and the dismissal of the instructors. For the purpose of the same "democratic renewal," as it is said in the text. As a result, 1,504 college instructors had been dismissed by the beginning of October, including 506 of those who had had the misfortune of teaching Marxism-Leninism in the past.

Another group that has to go through a thorough loyalty check are the officers of the people's police: They have to fill out a questionnaire that consists of 77 questions, most of which are designed to find out their political views. Because of suspicions of loyalty towards the former socialist regime, experienced diplomats have been thrown out in the street.

It is clear from recitals of many conference participants that the situation in East Germany is extraordinarily favorable for political discrimination.

First of all, there is unemployment that grows in leaps and bounds. Small- and medium-sized factories and plants are being closed; large enterprises, whose production cannot compete with high quality Western-made goods, are forced to stop production. According to expert forecasts, by the end of 1991, unemployment may reach a phantasmagoric figure of 4 million. This means that almost every fourth citizen of the former GDR will find

himself "unneeded" in capitalist Germany. Being foremost candidates for dismissal, these people are afraid to protest openly, preferring passive waiting and the illusion of hope.

This fear of potential consequences for themselves and for their families is the main obstacle in the way of organizing an effective fight against discrimination on political grounds. But there simply is not any other way to protect one's freedom of conscience and the right to have one's own opinion.

Another factor that contributes to a fast spread of the "restriction on professions" practice in the FRG's new lands is the absence of organized struggle. The movement, which has emerged spontaneously, remains amorphous; its actions are more instinctive than directed. Having told each other about multiple facts of discrimination, conference participants then found themselves confused: What next? In order to recognize and counteract sophisticated actions by the authorities, one needs a thorough knowledge of existing laws, but, unfortunately, one can count this kind of specialists in the GDR on one the fingers of one hand. Lawyers refuse to take the cases of the unjustly dismissed because they are afraid to lose their own jobs. There is no money to organize protest actions. Even a regular mailing of invitations or announcements becomes a hard-to-overcome problem. The majority of mass media takes a neutral position. It looks like only NEUES DEUTCHLAND, published by the Party of Democratic Socialism, and the

trade unions' TRIBUNE publish materials about "restrictions on professions" more or less regularly.

Despite the fact that the reunification agreement guarantees to GDR citizens that for a certain transition period basic social achievements of socialism would be retained in order to soften growing into the new socio-political system, this declaration "hangs in the air," since it is not supported by appropriate legal and economic measures. In the process of mercilessly destroying the old structures, the "designers" of market relations forget that they threaten the livelihood of many thousands of people, and thereby, instead of leveling, deepen the gap in the social conditions of the population in the eastern and western parts of the country. This is confirmed by a recent public opinion poll commissioned by BERLINER ZEITUNG newspaper. Among other things, it notes that while in the former FRG only eight percent of employed people are worried about their future, in the former GDR their number stands at 41 percent.

"Restrictions on professions' dismissal on political grounds, and restrictions on civic rights of the Party of Democratic Socialism and other leftist forces' members is acquiring frightening proportions on the territory on the former GDR. We call on people in all lands to close ranks, to actively take a stance against arbitrariness and against the limitations of freedoms and social rights of those who think differently. The German reunification should strengthen the democracy instead of limiting it. So let us fight for it," says the declaration adopted at the conference of the "Against Restrictions on Professions" movement.

Successes, Problems of Post-Revolution Romania Assessed

*91UF0231A Moscow RABOCHAYA TRIBUNA
in Russian 30 Nov 90 p 5*

[Articles by V. Androsenko, RABOCHAYA TRIBUNA special correspondent in Bucharest, datelined Bucharest-Moscow: "Hectare of Hope;" "Not to Wear Sackcloth and Ashes"]

[30 Nov 90 p 5]

[Text] December first marks a new holiday for the Romanian people—The National Day of Romania. It symbolizes the united will of the citizens of the republic, their striving for democracy and state integrity. How is the country managing today? What social and political processes are occurring here today? We present to you the travel account of the "Rabochaya Tribuna" correspondent who just returned from Bucharest.

As distinct from us, who believe that there is everything in Greece, Romanians say: "There is everything in Turkey." According to witnesses, one may encounter entire blocks of stores and shops in Istanbul filled with Romanian products, from shoes, clothing, and cigarettes to electric lamps and spare parts for cars. To this earthly paradise, Turkish buses standing at the North station are ready to take you from Bucharest for a price quite moderate—according to Western standards—all of 10 or 15 dollars. However, only holders of foreign currency, "bishnitsari," (distorted from the English word "business")—what we call speculators here—and prostitutes go there. For the basic masses of Romanians, there is nowhere to go from their unrelenting poverty and the path of departure from the crisis in the country is difficult to find.

I will not keep it secret, after a 20-year absence I was especially curious to see how the Romanian people are living today; according to my observations at that time, they were cheerful and put in a good day's work, eating well and making merry from the heart. Then, at the end of the 60s, manufactured items filled the stores. In the butcher shops, one had a choice of juicy cuts of pork, veal, and beef, fragrant sausages and counters laden with ham; dozens of kinds of wine and cognac adorned the grocery store windows. There were no lines. The majority of private and semi-private cafes and bistros were ready to take in customers at any time. The smartly-dressed public streamed into the fashionable restaurants, "Lido," and "Athens Palace." The dictatorial ways of Nicolae Ceausescu notwithstanding, quite free-thinking types of performances went on in the theater.

Alas, this was a only a temporary means of escape. Meanwhile the tight clutches of the dictator were gripping the throat of the people with ever greater strength. The troubling symptoms were noticed even then. Our Romanian friends and students, with whom we lived in the dormitory, over a glass of wine confessed that they

must report both of all our contacts to security, and here with a laugh said we were not to worry, for they said not one bad word about us. We ourselves were protected by the armour of a foreign passport, but for them this delightful game has ended quite sadly, for within a decade the established security system of mutual tracking and informing had penetrated the entire society. It had become totalitarian.

Along with this came the fear. About its basis and deeply embedded essence, a worker-electrician from a refrigerator production plant in the city of Grest, Mikhai Manolescu gave me a popular story.

"You understand I cannot confirm what I knew about state security arresting for "long tongue," he said. But I firmly know that if I left my job, I couldn't find another in my city. The plant is the state, the agricultural cooperative—also, I couldn't even get a job as a street cleaner, because trash collection is arranged by the primaria, the plenipotentiary chairman of the government. But how am I supposed to feed my family? How am I supposed to live, when the very opportunity for living is paralyzed for a man? Of course I held my tongue to my teeth—who knows who you're talking to."

The atmosphere of fear helps the dictatorship in the realization of its ambitious schemes. Many have spoken about this in our press, it does not need to be repeated.

In a gigantic structure, naturally, colossal resources are demanded. Where do they come from? The dictator didn't hesitate a minute: naturally, squeeze them out of the people.

Today Romanians still recall this unprecedented squeeze with a shudder. There was nothing—the lion's share of industrial goods produced by the state were sent abroad for foreign currency. Manufactured goods were sent there—in terms of quality there is no comparison with Western—then they could argue about the price and goods were sold in incredible numbers. For example, 90 percent of the refrigerators from the plant I referred to above went for export. A strict economic regime was introduced inside the entire country. Cities and villages plunged into darkness. In apartments only 40-60 watt lamps burned. If a family were to go slightly beyond a month's worth of electricity, then they had to pay approximately one and one-half ruble per kilowatt hour. Heating in homes is often not switched on even in winter, and in the freezing weather batteries must be warmed up gently so that they don't burst.

All of this intensified the dissatisfaction of the people, and when it took on a critical note an eruption occurred.

What does revolution bring to the common people?

The economic situation in the country today is far from not brilliant. It is true, the regime of belt-tightening gave everything a plus: last year Romania finished payment of its foreign currency debts, and now the initial conditions before the transition to market relations are significantly

better there, then say in Poland. But this relates to its foreign dealings. Internally the country is still living in debt.

"After the revolution a surprising situation has evolved for us. The people are beginning to receive additional wages, not as a result of hard work, but to a strong voice," vice-president of the confederation of free Romanian trade unions Nicolae Dogaru told me. "And the government, and the administration of the enterprise quite frequently gives into the crowd at the meeting and satisfies all of its demands, even if they are not able to be secured by real economic possibilities. As a result payments for the people for the current year have grown additionally to 90 billion leu, but there is no money for trade payment. So empty shelves in the stores, increases in prices, even an explosion on the "black" market are paying for it. Our misfortune lies in the impatience of the people who want everything immediately, as they are not accustomed to the civilized methods of struggle of the working class through trade unions, through collective agreements. To set free the octopus of inflation is easier than to manage with it later, and we are expecting troubles.

Yes, as regards the troubles, N. Dogaru is right. For simple people, they are more than enough. Waiting for bread in Bucharest can take up to two and one-half hours, and it is good if the quantity is not limited. And here in the small proletarian city of Sacele, south of Brasov, workers at the plant for production of auto and tractor parts complained to me that they are in line for four to five hours every day for a loaf of bread. Lines up to a thousand people can form for meat. There are no matches, and cigarettes make their appearance sporadically. In the capital, the situation with water supply is bad. It goes no higher than the second or third level and television reports show the most dilapidated toilets in the hospitals, or stages for washing patients at the water fountains in the courtyards. Officials in the municipality explain this misfortune as a summer drought but ordinary citizens more and more often link this occurrence with sabotage, recalling that the droughts occurred earlier, but then such interruptions in the water supply didn't happen.

Nevertheless, Romanians are not losing heart. In them live hopes for the better, and it needs to be said that these hopes are not unfounded.

The major one of these is linked with the land. As far back as spring the government of the National Salvation Front gave it to the peasants. Plots of arable land are not large at this time, but they are quite sufficient for carrying out agriculture. The land was let to them without mortgage, with a lifelong lease including the right of inheritance, but without the right of sale. This measure has turned out to be sufficient, as a real "boom" is beginning in agriculture. Of course it is linked first of all with the fact that the peasant in Romania was annihilated, not at the level we were, but the methods adopted were similar. Here is an obvious example of

those methods. Along the road to Snagov, where villas of high-ranking state officials are situated, one does not really encounter villages in the typical sense—with peasant homes and areas adjoining the farm house. It turns out they offended N. Ceausescu during his country visits, and he ordered the farmsteads to be demolished and the people to move into multiple apartment buildings. So settlements arose that were attractive at first glance, but were truly impractical for farm life, three-story houses. Conveniences for them were situated outside—water and firewood for stoves had to be carried by themselves. According to the words of the secretary of the primaria, Valeriu Redulescu, in the Snagov commune a third of the peasant agricultural sites were destroyed in this manner. And when the decree on land came out all these country folk came together en masse in the primaria, demanding their plots of land.

The purposefulness with which the peasants have begun to settle the land is striking. Into newly cut sections, barely successful at marking off boundaries with rough-hewn pegs, they are hurriedly putting up cottages—light, cut from coated clay woven planks. Regardless of their fragility, they give the people a simple sure feeling of ownership.

The results of the return of the peasantry are already visible on the shop counters. If in the Bucharest markets last year the choice of vegetables and fruits was meager, then the picture has changed strikingly today. There is now an explosion of color and scent. Toward the end of October I took a special trip through three capital markets and saw mountains of apples, cucumbers, onions, garlic, capiscum, quince, and other gifts of bountiful autumn. The prices for these remain for us only to envy. Juicy, huge apples, four per kilo, 15 leu (approximately one and one-half rubles), the same for duchess pears. For fruit of lesser quality the prices are lower—eight to 10 leu. Sweet peppers go for four to five leu, cauliflower for 20, cabbage for approximately two. The atmosphere itself in this kind of market is different—there are no malicious people or squabbles, people are selling and joking. One encounters tension only in the meat aisles, as the available supply is still somewhat short.

Acquainting myself with Romanian reality, I wondered for how long we in our Homeland will occupy ourselves with talk, deciding for our peasants what is best for them to do? For how long will we continue to block their road to the land, which can, in one year, feed the entire country? Five years of marking time, but we are struggling to take a decisive step, regardless of the abundance of examples of which Romania is but one of a number.

Romanians are going further, understanding that in many industrial workers, the peasant mettle lives on. As electrician Mikhai Monoescu said to me, in their city the land gives not only to the peasants. He and his wife took an entire hectare. Along with the hectare, a share of which belongs to his parents, he received a sizeable chunk on which the family can grow everything they

need—potatoes, vegetables, grain for cattle and swine, grapes. "Living has started to improve," he recognizes. "There is no comparison with the past."

Yes, in Romania a time of change has begun. But there are problems too. That is the subject for the next article.

[1 Dec 90 p 3]

[Text] At a university building in Bucharest, candles glow in iron boxes, protected from the rain and wind, in memory of those killed in the revolution. In the University square, in the Piazza Romana, a cross has been erected. The fences surrounding it are dotted with inscriptions: "Down with the tyrant," "Down with the dictator," "Glory to the heroes," "Victory or Death." In black paint on the wall of the Architecture Building has been drawn, "The Country free of Communism."

Here people gather in crowds. Speakers change places with one another, furiously arguing. Continuous pluralism, Hyde Park Romanian-style? No, far from it, for in the speeches an impatience with the opinions of others often is clear. But the swiftly and unapologetically uttered phrase, "Ah, you're a communist!" compels opponents to silence and retreat.

In Romania today, the word "communist" is used derogatorily. Of course, it is difficult to expect any other reaction after the lawlessness and suppression of individuals which was bestowed in the name of the Communist party. After the revolution, it simply fell apart, self-destructing under the weight of the charges against it. But members of this party—among them can be considered a good third of the adult population of the country—disappeared to nowhere, evaporated. The overwhelming majority of them were guilty of nothing before society, but are realizing the responsibility of the entire party before it and are experiencing a painful tragedy today.

Nevertheless, many of the former communists are not going about with ashes on their heads, but are concerned with the actual redivision of life, actively helping to implement reforms. The relationship being formed between the simple people and the communists is based not on the past, but on the events of today. I myself on more than one occasion have observed how the people go to them for assistance and counsel, and they are witnessing not simply a show of authority. This healthy human response, extraordinary in my view, is important for the normal development of the country, for any sort of "witch hunt" speaks of a serious malady in society.

In talks with peasants and workers, I saw that political babbling and slogans, old and new legends bore them to death. According to a foundry worker from the city of Sacele, Sergio Cobotar, every type of agitator called on him, but workers gave everyone the gate. The single "party" which they now support is the free Romanian trade unions that protect the interests of the simple people.

Essentially, what they want is quite little: to work honestly and live well. But how difficult to find the path to this goal!

In peasant policy everything turns out easier. Testimony to that is the strong support in the villages for the country's president, Ion Iliescu and the National Salvation Front, who returned the land to them. Where they are headed with industry is a more complex matter. The troubles they have are the same as ours. The command-administrative system was scrapped but economic methods of management have not been introduced, and as a result, there has been a collapse of discipline in deliveries, disruptions in economic links, and a slump in industry. To this we can add corruption, stealing on a massive level—something almost all my interlocutors have spoken of—and we get a picture analogous to our own. But the economic reform, particularly doing away with the dislocation and "black market," is being dragged out. Economists argue, politicians argue, but to the general consensus, methods of dismantling the administration still have not appeared. True, of late the proposals of professors Rudjinai and Kozhokar, who emigrated during the dictatorship and have now returned, are gaining much wider influence. They see the major problem in the political brain-washing of the people, to which there is nothing to actually lose, as much as it is poor. To return it to a healthy state of mind is possible only through resurrection of the feeling of ownership. It is easily realized, if the basic funds of the state were to be divided among all dwellers according to the work contribution of each. Our economists, L. Piaysheva, P. Bunich, and others are also propagandizing this brilliant idea, which creates different starting conditions for everyone, and not just for those with a political advantage.

The expectation that nothing good is coming is being dragged out. And it would seem that a welder in the auto and tractor parts plant, Ion Spulber expressed the thoughts of many workers:

"We understand that the revolution is not able to give everything to us at once. But time is passing, the situation is becoming worse, and we can no longer be slow about reforms."

In this most complex situation, the conduct of the Romanian opposition parties is to me quite curious.

There are a great number of them in Romania today—from the old, pre-war type of nationalist-tserenist (peasant) and national-liberal to the latest with a very different point of view, but inevitably with the prefix of "demo." They are all coming together as one, while propagandizing their ideas furiously, to criticize the National Salvation Front and the government. They openly play on the emotions of the people, and stir the crowd into hysteria. To take advantage of the situation to transition to market. Before the beginning of reforms the majority of the parties sharply criticized the government for its indecision "to free up" part of the price, that

is, to take a new path, but no sooner had they said this on November 1 these same parties changed position at once, beginning to limit protest demonstrations, criticizing the leadership for "hasty" measures. What is most interesting is that no one is able to propose any kind of alternative constructive program. Prime Minister Peter Roman more than once invited the opposition to dialogue and cooperation on this. Alas, the response was quite feeble. It is understood, to earn the authority to criticize the actual leadership is considerably easier—our populists successfully use this method. Only for some reason or another they quickly yield when they obtain power and when faced with the necessity of resolving real vital problems.

It is difficult, of course, to deeply penetrate the essence of all the processes in post-revolutionary Romania in a few days. Nevertheless, some kinds of negative characteristics of the political life of the republic are presenting themselves before one's eyes. And among them I cannot call the growth of nationalism, the exaggeration of Romanian chauvinism. Someone, it is clear, is not tolerating the reanimation of the soul of "great Romania," letting out from the bottle the destructive demon of nationalism. I observed street orators calling for support for the "brothers and sisters of this side of the Prut." They have spoken of certain hostile forces, who are attempting nonetheless to destroy the integrity of the territory where Romanians live and the unity of the Romanian nation. In Bucharest many thousands of demonstrations have taken place, led by slogans which read: "Bessarabians are also Romanians!" and "Romanians unite!" Emissaries from Moldavia have added oil to the fire, calling for a rise in the struggle to reunite it with Romania.

The myopia of the nationalist false heroes, who are prepared to set fire to their own homes is growing. Is it really difficult to imagine the consequences of a forced decision on territorial issues? Is it not clear to someone that this would be a dangerous precedent toward changing the whole political map of post-revolutionary Europe, including Romania itself?

Sensible policies reject these measures. It is not by accident that President Ion Iliescu, giving an estimate to the demonstrations taking place, has proclaimed that it is not appropriate to solve the most serious political problems being guided by emotions. This is the position of a man in the position of official duty who proclaimed to be looking after the future of the state. But shouldn't they think about it and those who now are calling for confrontation, shielded by high-sounding words in the defense of the interests of the people?

Poisoning society's consciousness by nationalism is extremely dangerous, for it takes the people away from the real life in the world of negative emotions and false values. What is most sad is that many are falling for this, particularly naive young people.

...Before departure I was able to visit the former summer residence of N. Ceausescu. In the forbidden giant garden on the shore of Lake Snagov, not too far from everything and today guarded by soldiers, I saw many wonderful things—luxurious villas, bathhouses, a winter garden with ripe bananas, pineapples, and oranges—and stood there for the most part indifferent. But when I saw branching, growing quince trees under the open Romanian sky, I could not restrain myself; a huge aromatic fruit fell to the ground and I resolved to try. The contrast of senses was striking: a sour-sweet extremely tasty juice and an astringent mouth, pulp running off the cheekbones. Astonishingly similar to the contrasts in the situation in the country.

Results of Yugoslav Economic Reforms Assessed

91UF0266A Moscow SELSKAYA ZHIZN in Russian
18 Dec 90 p 3

[Report by TASS correspondent A. Kondrashov: "First Year's Results"]

[Text] The first anniversary of the practical implementation in Yugoslavia of the economic reform linked with the name of the head of the government, A. Markovic, is approaching at this time. It was a year ago that its principal component—the convertible dinar, which has come to be exchanged freely in the country's banks for Western currency—was activated.

The progress of the reform has in this time been an object of the most contradictory evaluations and comments in the country: from eulogies to sharp criticism. This spread of opinions is explicable, on the whole. The reform has undoubtedly improved the health of the Yugoslav economy, but has struck a painful blow here at almost every one of its sectors individually.

Use of currency reserves that had been accumulated previously to maintain a stable rate of exchange of the dinar against the Deutschmark at a level of 7:1 has made it possible to overcome the main problem—inflation, which from the astronomical 2,665 percent last year will this year constitute only 120 percent. The internal convertibility of the dinar has afforded an opportunity for filling the country's stores with high-quality Western merchandise and Yugoslav citizens' overseas travel with convertible currency in their pockets.

However, fulfillment of the anti-inflation program to less than the full extent—an increase in inflation of merely 20 percent, not 120 percent, for example, was envisaged—has entailed a mass of secondary negative effects, which have begun to rapidly weaken the salutary effect of the reform.

Production in the country has declined 10.4 percent in the present year, although the government was expecting a decline of only 2 percent. And this indicator conceals not simply a reduction in the manufacture of commodities but also the closure of hundreds of large and medium-sized enterprises employing 450,000 people. An

extremely negative paradox on account of the stable, but unrealistic dinar exchange rate has been the rapid growth of the losses of export-oriented leading enterprises of Yugoslav industry. Obtaining for their exports dollars or marks, they have been forced to exchange them at an extremely disadvantageous rate for local dinars for the purchase of raw material and semimanufactured goods. As a result the previously flourishing Yugoslav shipbuilding, electronics, and garment and footwear industries are on the verge of bankruptcy.

Doggedly pursuing the course set a year ago, the union government is encountering the growing resistance of certain republics, which by way of a breach of union laws and injunctions are protecting their peasants against imports of cheap food or their exporters from the consequences of the overpriced dinar. In addition, a number of republics have recently drawn up their own programs for overcoming the crisis based not on a winding down but a stimulation of production and exports in the leading sectors and the use of other models, also approved overseas, of combating inflation.

Such is the economic and political reality of present-day Yugoslavia. But even under these conditions the Yugoslav Government, which was able following a sharp twist of the inflation spiral in September-October to maintain a hold on the main levers of influencing the economy, continues to hold a credit of public trust. According to the latest opinion polls, approximately 70 percent of the country's population has a positive view of the government's activity in the present year.

Hungarian Concerns Over USSR "Economic Emigres" Examined

91UF0223B Moscow *IZVESTIYA* in Russian 1 Dec 90
Union Edition p 5

[Article by F. Lukyanov (Budapest): "Visas or a Financial Filter?"]

[Text] Judging by all indications, our closest neighbors, the countries of Eastern Europe, are already beginning to display some anxiety in connection with the prospect of a new USSR law on entry and exit permits. These countries will be the first to feel the pressure of the hundreds of thousands of Soviet people, if not millions, free to leave the country. Questions connected with the anticipated wave of new arrivals—temporary or permanent—from the Soviet Union were among the topics discussed during consultations by official representatives of Hungary, Czechoslovakia, and Austria a few days ago.

People in Hungary have witnessed mass economic tourism or, in other words, shopping tourism, as well as economic emigration from neighboring countries. During the year and a half since the procedure for crossing the Soviet-Hungarian border was simplified, a procedure applying primarily to the inhabitants of the Transcarpathian zone, millions of people crossed the state border, and most of them did not go to feast their

eyes on the beauties of nature and admire the architecture, but solely to buy or sell something. What would happen if the inhabitants of the border zone were not the only ones with a chance to cross the border without any particular formalities?

Because of the disastrous state of the economy in the USSR, the absolute shortage of food, and the lack of foreign currency, Hungarian officials are afraid that tourists from the Soviet Union could create many difficulties and problems. There is particular anxiety over the predictions that when millions of Soviet citizens have crossed the border, they will want to stay and will use the East European countries as a spring-board. As the newly elected burgomaster of Budapest, G. Demski, frankly said a few days ago, the opening of the Soviet borders, which is a positive event in itself, will create a wave of refugees. These fears were illustrated graphically in a political cartoon in NEPSZABADSAG, depicting the Druzhba pipeline, emitting...hordes of Soviet citizens wearing fur caps and skullcaps and carrying samovars and string-bags.

We have to admit that the problem of economic refugees in Hungary is extremely acute today. In the last 2 years, especially following the liberalization of border regulations, the wave of refugees seeking a better life has grown considerably. According to estimates, more than 100,000 people came to Hungary during that time, mostly from Romania, but there were also many Arabs, Turks, and Poles. It is probable that the tens of thousands of economic refugees without identification papers and without any money represent one of the main causes of crime in Hungary. Currency operations, the sale of illegal drugs, and prostitution are the customary trades of these individuals, who caused the number of crimes committed by foreigners in the country to triple in just a year.

In the last few months Hungarian newspapers have "ranted and raved" in several exposures of the Arab (currency manipulations) or Turkish (narcotics) mafias operating in Hungary. The authorities finally had enough and declared war on the illegal aliens. In the first raid, police detained and deported more than 1,500 citizens of 27 countries (mainly Arabs, Turks, Romanians, and Poles) who had overstayed their welcome and had no permits to stay in the country on a long-term basis. Incidentally, some of those who were detained were our fellow countrymen, who had been caught in the act of currency manipulations. Therefore, the fears of an impending invasion by Soviet citizens are somewhat understandable.

How will the Hungarians react to the anticipated passage of an entry and exit law in the USSR? At a conference with his colleagues from Prague and Vienna, the burgomaster of Budapest did not exclude the possibility of the institution of visa regulations in Soviet-Hungarian relations—i.e., the kind of system (now abolished in the West in relation to East European countries) in which a Soviet citizen wishing to go to Hungary would have to

apply personally to the Hungarian authorities for an entry visa. There is no question that this is a discriminatory measure.

The Hungarian Foreign Ministry currently has a different view of the matter. In the words of its press liaison J. Herman, the institution of visa regulations is not on the agenda at this time. The ministry spokesman did, however, suggest the revision of agreements on tourist exchanges between former socialist countries with a view to the present situation. There was also a suggestion that Soviet tourists be required to bring a minimum amount of currency in cash with them to Hungary—for instance, 100 or 200 dollars, or an equivalent amount in forints. This proposal was supported by Hungarian Interior Minister B. Horvath, who said that the Hungarian Government does not plan to move the iron curtain from the western border to the east, but will probably choose the "financial filter" instead.

Problem of Nationalist Sentiments in Czechoslovakia Detailed

91UF0223A Moscow SOYUZ in Russian No 47, Nov 90
p 20

[Article by Vitaliy Yaroshevskiy, TASS correspondent on special assignment for SOYUZ: "Confrontation: Do the Czechs and Slovaks Need It"]

[Text] In April a group of Prague students blocked the entrance to the Soviet embassy in Prague. I tried to strike up a conversation with them. Warding off any overtures on my part, they showed me a poster saying "Freedom for Lithuania!"—thereby letting me know that we did not have much to talk about because everything was quite clear. One of my questions did arouse some interest: What would they say if the Slovaks suddenly wanted to withdraw from Czechoslovakia? "Let them go," an attractive blonde replied with frightening generosity. The rest nodded their heads in agreement. They had made up their minds.

When Vaclav Havel addressed the country's parliament in September, he said that he opposed the withdrawal of republics from the federation and saw no need to record this right in the new constitution of the CSFR. The youthful maximalism of the student and the wise statesmanship of the president are separated by a wide gulf. Between these two extremes there are all of the conflicts, false rumors, resentment, and intolerance that divide the two nationalities as effectively as a well-fortified border. The dramatic escalation of Slovak nationalism came as a surprise to many people, in spite of "old scores." Soon afterward, however, this problem became the main concern of public opinion, supplanting the threat of ecological disaster.

Nationalist rallies, provoked by the parliamentary dispute over the "dash" in the official name of the state, were held in Slovak cities, especially Bratislava, in late March and early April. People in Slovakia react with contempt to the neutral name "Czechoslovakia,"

explaining this as a result of worries about their own national identity and the fear that the smaller and less developed nationality will be absorbed by a neighbor stronger in all respects.

The Slovaks saw the dispute over the hyphen as a sign of arrogant "Czechoslovakism." Whereas this is a somewhat vague term to the Czechs, it is not ambiguous at all to the Slovaks. It is commonly used in Slovakia. The Czechs and Slovaks are two offshoots of one Czechoslovak nationality. This is an oversimplified explanation. In reality, "Czechoslovakism" is the Czechs' view of the Slovaks. Running ahead, we can say it is a condescending view. In line with this, the Slovaks are simply part of the Czech nationality. In their joint state they will gradually merge with the Czechs to such an extent that even the Slovak language will be unnecessary and will cease to exist, and so will the Slovaks' unique national identity.

Representatives of the Czechs and Slovaks reached an agreement on some principles of Slovak autonomy in the future joint state at the end of World War I in the American city of Pittsburgh, but the new Czechoslovakia was in no hurry to implement them, and Czech politicians and journalists, including Masaryk, did everything within their power to cast doubts on the competence and seriousness of the people who signed the Pittsburgh declaration.

The first pre-war republic was primarily a Czech state, stubbornly denying Slovak autonomy. This continued until the Munich agreement was signed in September 1938. It was this settlement that revealed the serious differences in the mentality and culture of the two nationalities in spite of the similarity of their languages. The Czechs had to face a frightening dilemma: to be or not to be a nation. For the Slovaks, it was a time of hope and excitement. Munich gave Slovakia its long-awaited autonomy, and the subsequent Nazi invasion in March 1939 and the creation of the protectorate of Bohemia and Moravia meant enslavement for some and the achievement of complete autonomy for others.

On 27 July, Josef Tiso, a Catholic priest, was elected president of the Slovak state. He was to blame for the deaths of tens of thousands of Jews. In March 1942 the first trains carrying Jewish "freight" left Slovakia for Poland, where the Jews were supposed to "work," by the terms of an agreement with Germany. In fact, what awaited the deported Jews were not jobs, but the gas chambers and ovens of Auschwitz. Only 800 of the 57,600 Jews who were forced to leave Slovakia returned to their native communities after the war. The life of the gypsies was not much better in the clerical-fascist Slovak state. They also lost all of their rights and sampled all of the delights of the Slovak fascists' merciless struggle for racial purity when they ended up in concentration camps.

The emigre journal POGLIADI, published in Canada, calls those years the "Slovak dream," which was dispelled "by the Soviet Army's occupation of Slovakia." The journal calls Benes a "Soviet agent" and accuses him of organizing political trials with the help of the communists, arranging for the execution of J. Tiso as a criminal in 1947, and disdaining the Slovak national identity.

There is no shortage of emigre literature in Bratislava today. In general, it falls into two categories—anti-Czech and anti-Hungarian. In spite of this difference in their points of view, the publications are united by a single idea—Slovakia has been the slave of other nationalities. There is nothing new under the sun, but people read it anyway.

Leaflets with the meaningful title "Slovaks: Past, Present, Future," printed in...California, are freely passed around in Bratislava. They are distributed by the so-called Movement for the Liberation of Slovakia. The movement does not conceal the fact that it is supported by "patriotic organizations" overseas—in Munich, for example, but mainly in the United States—the Slovak League in America—and in Canada—the Canadian Slovak League. The emigre community, which took shape mainly after 1945, has taken an extremely rigid stance on the secession of Slovakia from the federation. Roman Hofbauer, the mayor of Bratislava, told an interviewer from MLADA FRONTA not long ago that "the sons and grandsons" of Josef Tiso are not sitting idle.

Peter Blazko, the movement's leader, came from faraway West Germany to solve the Slovaks' problems. He has a frighteningly simple interpretation of the movement's goal. "We," he said, "want the master in Slovakia to be a Slovak, and not a Czech invader." Here is something else he said: "People tell us that Slovakia will not be capable of developing autonomously after breaking away, but who is to blame for the economic crisis in Slovakia? The Czechs!"

The main groups associated with the movement are the Slovak National Party and the Ludovita Stura Society. United, these nationalist organizations can lead tens of thousands of people into the streets and squares, and this is what happened in the end of October after the Slovak parliament passed the law on the official language. The deputies were not swayed by the mood of the mob and voted for the administration's compromise draft, categorically rejecting the nationalists' demands. Any retreat in this case could have had serious and unpredictable results. The nationalist version of the language law would have led to the effective assimilation of the 600,000 Hungarians and 156,000 Ruthenians living in Slovakia.

The latter are connected with a problem that has come up with increasing frequency in articles in the Czechoslovak press. This is the idea of the "addition" of the Transcarpathian Ukraine to Slovakia. Newspapers are disputing the USSR's right to the Transcarpathian zone.

They are stressing that the act of reunification with the Soviet Union was imposed on Czechoslovakia by Stalin, who solved the Ruthenian problem in his own uncomplicated way by "rechristening" them Ukrainians.

What can I say in conclusion? Even in a country as small as Czechoslovakia, a great deal depends on the ability to converse and reach agreements. The leaders of the republic governments have been able to do this to date, but this cannot be said of the young radicals. Bratislava students responded to parliament's decision on language by announcing a hunger strike. Even a personal meeting with President Havel did not shake their determination to fight for all of their demands.

Will people pay attention to the increasingly frequent appeals for common sense and mutual tolerance? "We are in debt to the Slovaks," the Prague weekly RESPEKT declared. "If we recognize them as an autonomous people, we have to treat them accordingly. This means we have to respect their point of view, even if we do not agree with it."

Mutual suspicion is the cement fortifying the wall of inter-ethnic discord. The Czechs do not believe that the Slovaks want a federation instead of complete autonomy. The Slovaks, in turn, do not believe that the Czechs are willing to respect their rights without any reservations whatsoever. The confrontation continues.

Debate Over Confiscation of Czechoslovak CP Property Reported

91UF0198A Moscow PRAVDA in Russian 26 Nov 90
Second Edition p 5

[Article by A. Borisov and V. Viktorov: "'Revolutionary Legality' or the Law; An Inquiry into the Confiscation of CPCZ Property"]

[Text] At the suggestion of the administration, the Federal Assembly of the CSFR passed a law on the confiscation of Communist Party property without compensation on the eve of the anniversary of the Czechoslovak "gentle" revolution. This was done hastily, without adequate discussion in all committees, and with other violations of the Czechoslovak parliamentary procedure for the consideration of bills. It was an event unprecedented in the country's history, an event which is certain to arouse interest throughout the world, and it was a move that was—quite frankly—politically dubious and legally untenable.

The facts of the matter are the following. The Communist Party of Czechoslovakia, which was the monopolist ruling party until November 1989, controlled and used property worth around 12 billion korunas. Around half of this property belonged, strictly speaking, to the state, and not to the party, and this is why the CPCZ returned it in the first half of 1990. Besides this, by 31 October the Communist Party had turned over buildings, hotels, vacation centers, and other facilities worth more than 4

billion korunas to the state without compensation. As a result, its remaining property was worth only 1.9 billion korunas.

Before the administration's bill on the nationalization of party property made its appearance, the CPCZ declared its willingness to give up most of what it still had to the state. After this it would have retained "real estate and movable property" worth around 400 million korunas. This was approximately 3 percent of the property it had originally had. This was all the CPCZ leadership felt it needed for the normal operation of a legal political organization with 750,000 members. This could not be called an excessive demand, especially in view of the fact that government experts calculated that the CPCZ had acquired at least a billion korunas' worth of property with membership fees.

The opponents of the bill had serious legal arguments to counter the administration's justifications. Above all, the bill is inconsistent with a constitutional amendment adopted just half a year ago.

Furthermore, the Czechoslovak administration substantiated the bill with calculations estimating annual allocations of around 1.3 billion korunas from the budget of state agencies to cover expenses connected with party political instruction, the activities of the workers' militia, the use of the government telephone network by party committees, and other costs. In the last 20 years these expenditures amounted to the impressive sum of 26 billion korunas, but it has no connection whatsoever with party property.

In spite of all the political and moral objections to the earlier practice of awarding the CPCZ sizable subsidies, including indirect ones, there is no getting around the fact that this was done on legal grounds from the standpoint of the laws of that time. The financing of party activity by the state cannot be called unlawful either in itself. Incidentally, the current Czechoslovak administration has already announced its intention to cover part of the financial and material requirements of political parties and movements with state budget funds.

Another statement employed to substantiate the need for the bill, the statement that the property the CPCZ voluntarily turned over during the year had been accepted by local government agencies in a disorderly and "haphazard" manner, could hardly be called convincing either. Does this mean that the CPCZ is to blame for the unsatisfactory work of new local government agencies?

Furthermore, the references to the need to equalize the property status of political parties and movements are completely invalid from the legal standpoint. The attempts at forcible equalization seem to have been extricated from an arsenal that was refuted long ago by all contemporary human experience.

Then why were all the valid arguments and common sense disregarded, and why did "revolutionary fits" and "legal nihilism" prevail in this case in a country with fairly high political and legal standards? The answer seems obvious: The regime is trying to hit the opposition below the belt through the parliament, where it controls the overwhelming majority of seats. Its goal is to drive the opposition over to the sidelines of public affairs and to accomplish what it could not do in the political struggle during the elections, when the CPCZ lost, but still managed to remain the second-strongest party in the parliament. It is no coincidence that the bill was introduced at the height of a massive anticommunist campaign, complete with demands for a ban on the CPCZ.

The passage of the law aroused protests in the country. Chairman P. Kanis of the CPCZ sent the Council of Europe and communist, leftist, and democratic parties on the continent a letter explaining the position of the CPCZ. In an attempt to solve this problem by constitutional means and a political agreement, the CPCZ, P. Kanis wrote, proposed the establishment of a parliamentary commission to decide how much property a political party needed for its operation. It also proposed that all remaining property be turned over to the state before the end of 1990, but this proposal was ignored.

The law parliament passed, the CPCZ leader went on to say, is inconsistent with Article 9 of the constitutional law allowing the restriction of rights of ownership and other property rights only in the public interest and only for compensation. This suggests that the bill is an unequivocally undemocratic and unconstitutional instrument, drafted for the purpose of weakening the legal opposition leftist party in every way possible just before the upcoming communal elections and for the purpose of restricting and ultimately paralyzing its activity. It appears that the desire for political revenge against a party supported by 1.5 million voters in free elections is clearly prevailing over the constitutional principles approved by the Czechoslovak parliament this spring.

In spite of the difficult position the CPCZ is in today, even after it has become a new type of party as a result of reform, it is fully determined to continue striving consistently for democratic development, the CPCZ leader said in conclusion.

The situation with regard to Communist Party property in the CSFR is raising many questions. Will the Czechoslovak society become more democratic after it has undermined the bases of the parliamentary opposition's normal operations? Can expropriation and the setting of "revolutionary" standards produce the kind of rule-of-law state the Czechoslovak people wanted when they got rid of their authoritarian regime?

These questions must bother genuinely democratic forces in the country, regardless of their personal attitudes toward communists and socialist values.

Joint Ownership of Kuril Islands Discussed

91UF0191A Moscow SOYUZ in Russian No 46, Nov 90 p 15

[Article by Vladimir Tsvetov: "USSR-Japan: Will Success Accompany Mikhail Gorbachev? Some Thoughts on What To do With the Islands of Habomai, Sikotan, Kunashi and Iturup."]

[Text] On 28 April 1891 the Russian frigate "Pamyat Azova" [Memory of Azov] dropped anchor in the port of Nagasaki. On board the frigate was the heir to the Russian throne, the future Czar Nicholas II. If we do not count the annoying incident in the city of Otsu, where a nationalistically oriented policeman attacked the czarevitch, the 20-day visit to Japan went well. This fact was evidenced by the almost 400 gifts presented to the guest by his hosts, including the Japanese emperor and empress. During those patriarchal times this served as a true sign of friendship not only between royal families, but also between countries.

This was the highest level visit for the entire preceding and all of the subsequent history of our country's relations with Japan. Its success, however, proved short-lived. Soon enmity and suspicion poisoned the relations between Russia and Japan, and this same stigma was later placed also on Soviet-Japanese relations. Even today they cannot be considered satisfactory. Yet exactly 100 years later, a wonderful opportunity to return Russian-Japanese good neighborly relations has arisen. A trip to Japan by USSR President M. S. Gorbachev is scheduled for 1991, and also for the month of April.

Treaties and agreements are being prepared for signing in Tokyo by the Soviet President and the Japanese Prime Minister, as well as by the ministers of both countries. Even if there are as many of them as the number of gifts which the frigate "Pamyat Azova" took home from Japan 100 years ago, still in Soviet-Japanese relations these documents will be no more than a spring thaw, and not a breaking of the ice, if there is no shift in the main thing—the territorial question. We are speaking, as the reader has probably already guessed, about the Soviet Union's ownership of the islands of the Kuril ridge—Habomai, Sikotan, Kunashir and Iturup, ownership which is contested by the Japanese.

In 1855, Admiral Ye. Putyatin signed the first Russo-Japanese treaty in the city of Simod. According to this agreement, Habomai, Sikotan, Kunashir and Iturup remained on the Japanese side of the boundary (they comprise the object of dispute today), while all the Kuril Islands lying to the north of them remained on the Russian side of the boundary. Sakhalin was to remain undivided.

After 20 years, Russia ceded the entire Kuril ridge to Japan in return for Sakhalin. After another 30 years, in 1905, having lost the war to Japan, Russia ceded to the victor also the Kuril Islands and Sakhalin.

However, in 1945 Japan lost the war, and this time we got the Kurils and Sakhalin. Ten years passed. In the joint declaration restoring Soviet-Japanese diplomatic relations, the USSR promised to give Habomai and Sikotan to Japan after conclusion of the peace treaty. However, 5 years later it went back on this promise, motivating this action by the fact that Japan had signed a new military treaty with the USA.

The transfer of the islands from one power to the other was formulated by treaties, agreements, and declarations which, however, are interpreted differently by the parties and therefore cannot, from Japan's point of view, serve as the basis for considering the islands to be Soviet territory, and from the viewpoint of the USSR—do not give Japan the slightest reason to strive for their return. The two sides accuse each other of illegality of statements and actions which concern the territorial question, and are formulating public opinion in their countries in the corresponding manner. As a result, each country's position has turned into a dogma which is difficult to reject without losing face, while emotions in Soviet and Japanese society have heated up to the temperature of magma threatening to explode from the mouth of a volcano.

Since it is unproductive to talk about who is at fault in this situation, I will try to express my opinion regarding a possible resolution to this problem.

First of all, we should officially acknowledge the existence of this problem in Soviet-Japanese relations. This is demanded not only by reality, but also formal logic. If in the dialogue one side maintains that the problem exists, that means it really does exist, even if the other side insists otherwise. I am sure that if the USSR President only took this one step in Tokyo, and there would be a breakthrough in Soviet-Japanese relations equal to that which occurred in Soviet-American relations in Reykjavik.

However, having admitted the existence of a territorial problem, we must also think about the means of resolving it. Professional diplomats, of course, are engaged in this. However, have scientists and journalists, public leaders and people's deputies been told to think about the means of solving such problems? And it would be strange, to put it mildly, if these scientists, journalists, public leaders and deputies did not share the fruits of their ponderings on the pages of newspapers and journals and in discussions with each other. After all, such discussions are useful if only because sometimes they prompt professional diplomats with sensible ideas. Moreover, through public discussion the diplomats may judge the public sentiment.

Therefore, I decisively refute the effort of the TASS political observer, A. Antsiferov, to cast doubt upon the right of Moscow Soviet Deputy Chairman S. Stankevich to discuss the territorial question. Moreover, like S. Stankevich, I want to propose my own method of its solution, even though, also like S. Stankevich, I do not work in the MFA and find myself a thousand kilometers

from the Kuril Islands. According to the perverse logic of the TASS journalist, only the inhabitants of the high-rise building on Smolensk Square in Moscow may touch upon the territorial question, as well as those who are registered in Sakhalin Oblast.

What am I proposing? In my opinion, the solution to the problem is the joint Soviet-Japanese ownership of the islands up until the moment in the near or distant future when the drawing of boundaries between the states will lose all connection with problems of defense and economic interests and will no longer wound the national feelings of the peoples.

If we view the new political thinking not as a ready-made panacea against any international ill and any inflammatory process in inter-state relations, but rather as a method of preparing a drug for individual application, then the proposal on joint ownership of the islands fully corresponds to the new political thinking. I do not expect immediate applause, since the slightest departure from the concrete positions on the territorial question still to this day evokes obstructive fire from the MFA batteries and shouts of dissatisfaction from the stalwart part of the population. There are many examples of this.

In the Spring of this year, Sin Kanemaru, the former deputy prime minister and perhaps the most influential leader of the liberal-democratic party today, said that if he were the head of the Japanese government he would agree to the Soviet Union's return first of two islands—Habomai and Sikotan, and perhaps would even agree to the purchase of these lands from the USSR. I will not delve into the essence of what Kanemaru said. I will focus only on the reaction to it. "Wrong" and "unacceptable"—that is how the Japanese press characterized the politician's announcement. The Japanese MFA reacted in a sharp rebuttal: "The government has no intention of changing its position and has not the slightest interest in any ideas which envision the purchase or lease of the islands".

The picture is similar also in our country. It is true, the Soviet MFA responds to proposals which contradict its positions in a calmer manner than the Japanese foreign policy department. Nevertheless, opponents of any movement on the territorial question within our community are not in the least hesitant to express their views.

A number of proposals on solving the territorial question were presented by the deputies of the inter-regional group and scientists from Academic institutes. I will not repeat them here. They have been publicized in the press. The latest were expressed in Tokyo by the leaders of the Moscow Soviet. Whether or not we agree with their ideas, we cannot argue that their search for a way out of the territorial dead end is commendable, a search with which the proponents of stagnation in Soviet-Japanese relations do not want to agree, or most likely cannot agree because of their blind devotion to dogma.

"Foreign policy dilettantes", "newly-baked politicians", "visitors conducting their own personal voyages to the Land of the Rising Sun at Japanese expense"—that is how the PRAVDA Tokyo correspondent I. Latyshev rated the inter-regional deputies. Unfortunately, he is not the only adherent of the Suslov-Zimyanin style of holding discussions. I have already mentioned the TASS journalist. To this we may add also authors from LITERATURNAYA ROSSIYA and certain other press organs. If in their characteristic manner they want to also curse me for my proposal of joint Soviet-Japanese ownership of the islands of Habomai, Sikotan, Kunashir and Iturup, then I hasten to warn them: "I have already been called a "Japanese spy" and a "servant of the Japanese imperialists" by members of the "Pamyat" society and the OFT for my previously expressed idea of developing a "Disneyland" on the islands as a joint venture with Japan.

In Japan the unwillingness to compromise on the territorial question is explained by the fact that the rightist circles need a means by which they hope to instill a defense consciousness in the Japanese people. When the "enemy" is standing at your gates, it is easier to obtain increased budget allocations for military needs, and to try more persistently to introduce anti-democratic legislation in the country. And cannot the USSR, which has seized "age-old Japanese lands", be considered an enemy?

What goal do our home-grown opponents of compromise pursue in the territorial question? It seems, the same one as the people who secretly prepared for and, without warning the Soviet organs of authority, implemented the nuclear test explosion in Novaya Zemlya: To weaken the effectiveness of the USSR President's foreign political activity, which undercuts the roots of the military-industrial complex and its closely related command-administrative system. Without a new compromise approach to the territorial question, the President's visit to Tokyo will turn out to be merely for the purpose of familiarization.

Obviously, there will be no shortage of high evaluations of the visit by the Soviet and Japanese press, if only because of the world significance of the USSR President's personality and the important role of Japan in international affairs. However, this visit will not turn Japan into a sponsor of our economic reforms. Yet Japan could become for the USSR what the USA was for Western Europe in the first post-war years. The visit will not make Japan a partner in bringing to the Asian-Pacific Ocean Region the spirit and, perhaps, the practice of the Helsinki process. It will be the first major misfire in the long chain of the President's international achievements.

The compromise does not necessarily need to be that which is described in my article or in the articles and interviews of B. Yeltsin, G. Popov, S. Stankevich, and certain Soviet specialists in Japanese studies. It is quite possible that the President will present his own original

and bold plan for moving toward resolution of the territorial question. The experience of Reykjavik and Malta testifies to the President's capacity for non-standard but well-planned foreign political steps. And if Tokyo turns out to be akin to Reykjavik and Malta in this respect, then this will perhaps turn out to be one of the most valuable gifts for the Soviet people in the years of perestroika.

China's Success in Food Production, Distribution Described

*91UF0250A Moscow PRAVDA in Russian 14 Dec 90
Second Edition p 5*

[Article by B. Barakhta, PRAVDA correspondent in Peking: "How Much Does Our Daily Break Cost in Peking?"]

[Excerpts] In China it is the season for preparing cabbage for the winter. Columns of trucks loaded with it drive down the streets. But this is not the round white-headed cabbage that we are used to seeing. The "baytsay" [Chinese cabbage] here is elongated, with open leaves, and looks like large leaf lettuce. It is sold on practically every street corner. The buyers crowd around here. They load up their hand carts and bicycle trailers to the very top. It is a good thing the goods are cheap—only 20 phen per kilogram (a phen is one-hundredth of a yuan). They stock up on this product so that it will last until spring.

One can see baytsay hung for drying in the most varied places: On the balconies of houses, on ropes strung between trees, or sometimes simply laid out on tarps along the sidewalk. Chinese cabbage, along with rice, remains as one of the staple food products of the simple Peking resident, whose average wage comprises 150 yuan per month.

The primary result of the socio-economic reforms which have been implemented in the country was the fact that it has become possible to feed the country for the first time in the many centuries of China's history, and to make the food market rich and varied. You must agree that this is not a simple task for a state with a population of 1.13 billion people.

The socio-economic transformations began in the village. By the end of 1982 already 92 percent of the production brigades were covered by some form of family order or system of plot plan assignments. The peasant farmstead, after paying the state tax and lease payment to the collective (as a rule this comprises 10 percent of the income), can do as it pleases with its products. It is no wonder that labor productivity has increased several times over.

For the sake of fairness we must note that in China they see: The family order has exhausted its capacities. On the average throughout the country a peasant farmstead comprises 0.5 hectares of arable land. On such "islets" there is not much room to spread out, either with equipment or with leading agrotechnical methods. A

process of transition to the collective order has begun in the country. It is taking place from the bottom up. It is not being pushed, but is being encouraged and stimulated in every way possible.

Today only the white heron, soaring low over the field, reminds us of the recent hot summer, the dense green carpet of rice shoots and the hard work under the hot sun. The farmers have worked by the sweat of their brow, as they say, and have gathered a rich harvest. The shelves of the food stores and the markets are full.

It is difficult to describe in words the Chinese produce market. One must see it. And, having seen it, it is impossible to imagine that quite recently the holiday meal of the Chinese consisted of red pepper sprinkled with rice powder, pickled garlic and salted vegetables with slices of roast meat.

The vendors and their stalls are located literally every few steps. Their beckoning voices ring out: "Eels!", "Carp!", "Fresh vegetables!", "Fried sausage!", "Soup with fish dumplings!", "Shish kebab!".

Today in the country, the newspaper RINMIN RIBAO recently reported, there are over 72,000 markets, whose annual trade turnover approaches 190 billion yuan. This is 21 percent of the entire goods turnover of the PRC. For comparison we will note that in 1983 there were only 48,000 markets and they sold only 1/5 the number of goods. Up to 70 percent of all the vegetables raised in the country are sold at the markets, as well as a number of other food products.

In a quiet corner not far from the Peking hotel "Kunlun" there is a small produce market. Altogether there are only 30-40 stalls. But what an assortment! Meat, vegetables, greens, eggs, live chickens, fruit...

As for rice, the staple food product of the Chinese, it is sold at the price of 2 yuan per kilogram. About 2 years ago the country was overwhelmed by inflation, which naturally was reflected in the living standard of the low-and moderately-paid strata of the population. The state was once again forced to introduce ration cards for a number of food products. This does not mean that the above-mentioned products are not sold freely. It is simply that they are more expensive without the ration cards. For example, a 100-gram package of noodles costs 35 phen with ration cards, and 48 without them.

It is easy to note that the market prices are not much higher in the stores. This is particularly apparent when buying vegetables and fruits. At the same time, the goods at the market are higher in quality.

I would like to focus especially on the sale of alcoholic beverages and cold drinks in the PRC. It is no problem to buy either one in Peking or in the other cities. At one time China experienced an anti-alcohol campaign. Its downfall was colorfully described in the short story, "The Devilish Power of Wine" by the contemporary

Chinese writer Phen Tsitsaya. Evidently, it is impossible to break the traditions which have been molded for centuries.

The famous vodka "Maotai" is sold, as a rule, in stores for foreigners. This is understandable. One bottle of it costs 150 yuan. In general there are many puzzling things about the price policy. A bottle of cognac, for example, costs the same as two cans of beer or one bottle of "Coca-Cola".

After a hard work day, the Peking resident does not have to spend hours on obtaining his daily bread, as he did before.

Problems Generated, Encountered by SRV Workers in USSR Discussed

91UF0221A Moscow IZVESTIYA in Russian 1 Dec 90
Union Edition p 6

[Article by B. Vinogradov (Hanoi): "Sheremetyevo-2, Flight 541"]

[Text] Just recently, in a long list of airline flights connecting Moscow's Sheremetyevo-2 Airport with dozens of cities on all five continents, flight 541 from Moscow to Hanoi was described as the "most disorganized." People who have flown to Vietnam in recent years will probably remember scenes comparable only to the storming of a snow-bound fortress or to a frantic flight from a city under siege. I personally witnessed several such scenes when I took this flight.

In colorful descriptions of the mob of passengers milling around the customs counters, weighed down by their boxes and suitcases, when the plastic barriers begin shaking in complaint and when the computers on the desks of frightened registration clerks begin trembling, the newspapers have usually reported that one of the customs officials was wounded and that the physical damage amounted to a certain number of rubles. Not once, to my knowledge, has anyone ever reported the losses of the other side, however, a side which is customarily referred to in this context as the "aggressor" but which is actually just a group of Vietnamese citizens eager to go back home. As a witness, I can confirm that it is this side that is usually the losing side in these altercations, and the losses cannot be calculated only in rubles, but also consist in a certain number of passengers taken off the flight or sent to the hospital and in piles of confiscated or abandoned luggage, not to mention emotional injury.

The day before I left Moscow, I visited my Vietnamese friends in the SRV embassy, and they showed me a fairly thick file of documents on investigations of incidents at Sheremetyevo Airport, photographs of victims, and the conclusions of medical experts.

I hoped that all of these incidents were past history by now, and that measures had been taken to restore order at the airport. When security guards were called in to

keep the peace, flight 541 supposedly lost its earlier unenviable reputation and was almost no different from other flights, except that the registration for this flight began a few hours earlier....

When I arrived at Sheremetyevo-2, the gallant and dashing guards in gray berets—the very embodiment of reliability and strength—glanced at my IZVESTIYA identification card with indifference and sent me to the end of the general line, threatening "sanctions" if I were to try to "sneak ahead of the others." I was not offended, because I decided that the vigilant guards saw my request to watch the passengers board a flight which had just recently been described as the "most disorganized" as an audacious attempt to avoid standing in line. As it turned out, there was no need to hurry—the departure time was delayed for 4 hours.

When I finally reached the customs official, he simply asked if I were taking any dollars with me, and after hearing my negative reply, he returned my declaration without asking any other questions. He paid much more attention, however, to the Vietnamese. Their boxes were ripped apart, their suitcases were opened, and all or part of the contents were frequently thrown into a single pile, which grew before our very eyes next to the passageway. How could this be, I wondered, why are no records being kept of any of this, and why are no receipts being issued to anyone? What was even more surprising, however, was that the passengers were not complaining. They humbly gathered up their lightened loads and walked on. Apparently, they were happy just to be allowed to go through....

"Where will all of that go?" I asked an attendant with oak leaves on his lapels. "There are so many things here." "The Vietnamese will come and take them," he told me. "Which Vietnamese? The passengers?" "No, the Vietnamese living in Moscow."

Later, when I was already sitting in one of the waiting rooms, waiting for the invitation to board the plane, I struck up a conversation with some of my fellow passengers and asked them the same question. The Vietnamese, former workers at Soviet enterprises, turned out to be more talkative and took turns relating the makings of what could have been a good plot for a thrilling mystery novel. "Those things," they said, "will be collected by our mafia operating in Sheremetyevo and will then be sold to others like us or sent to Vietnam by other means. They have connections here. They can forge tickets and they can get luggage onto a plane without going through customs. All it takes is money...."

It is a long way to Vietnam. Long enough to hear many stories of this kind. It all began back in 1980, when Vietnamese workers first arrived in our country in accordance with an intergovernmental agreement. At that time, however, no one even imagined, to my knowledge, that there would be more than 100,000 of them, according to some data, in 10 years. No one could have predicted that unemployment would come into being in

our country and would grow, or that it would be almost impossible to exchange our devalued money for goods legally. No one expected thousands of Vietnamese to disappear into the vast expanses of our nation, passing themselves off as Kazakhs or Uzbeks, and no one knew that instead of going back home with feelings of affection and gratitude to the country which offered them jobs, they would leave with their hearts full of resentment and a vague sense of lost illusions and ideals.

We, of course, are not talking about ideals anymore either. We should remember, however, that all of this looked like "assistance in the training of young specialists for developing Vietnam" at that time. It is now that a spade is called a spade and all of this looks like a regular form of economic cooperation common to many countries—the hiring of foreign manpower, a practice in which the main consideration is not ideology, but elementary pragmatism.

References to foreign experience certainly provide a sound argument, but let us try to compare the status of foreign workers in the West, whom we, incidentally, just recently described as nothing other than "pariahs," "outcasts," and "20th-century slaves," with the status of the Vietnamese workers we invited to our own country.

It is no secret that both groups are employed in the most labor-intensive jobs, requiring little skill. Apparently, this is the only similarity. Whereas the "outcast" in the West can buy anything he wants with the money he earns, the Vietnamese in our country, regrettably, have no chance of doing this for certain well-known reasons. But after all, this is the main thing for them—to earn money and then send things home to help their families. It is precisely for this reason, and not because of any kind of philanthropic impulses, that they undertake the sometimes arduous journey to the Soviet Union. Unfortunately for them, they naively assume that their only problem will consist in deciding where they should buy their goods and in what quantities.

The first part of the problem is now insoluble, as we know, even for Soviet citizens. And what are the Vietnamese to do with the Soviet rubles they earn? They would seem to be in a hopeless position. Because of their keen business sense, their unity, and their mutual exchanges of commercial information, however, many Vietnamese solve the problem at their own fear and risk, and frequently much more successfully than the native inhabitants of our cities, by being resourceful and taking advantage of the criminal atmosphere surrounding our trade network.

As far as quantities go, however, the problem is more difficult to solve. By the terms of Protocol No 6 of 1985 to the intergovernmental agreement, they have the right to buy "one each of 22 types of durable goods a year" and ship them home in a container. To acquire the complete set, a Vietnamese worker would have to collect 2,000 or 3,000 rubles, but now, as QUAN DOI NHAN

DAN reported, it already takes 10,000 to fill the container. A refrigerator with a state price of 250 rubles, for example, costs four times as much, and a 17-ruble sauce-pan costs 60. The money and goods are usually exchanged, the newspaper added, at the back door of the store, at the gate of the industrial base or warehouse....

Well, none of this is new to us. In addition, however, restrictions imposed by the Ministry of Internal Affairs and Ministry of Foreign Affairs have applied to travel within our country by the Vietnamese workers for all of these years. When they wanted to leave their place of employment and go somewhere outside the city limits, they had to apply to the militia for permission 10 days in advance, and most of them worked in production units with several work shifts, on assembly lines, where a rigid schedule has to be kept. For this reason, each time they came back late from a trip or were absent from work for personal reasons, they faced certain penalties, the stiffest of which, for long-term breaches of contract, was the loss of the right to send the container—or, the "crate," as they call it—home. In defiance of official instructions and their own fears, however, most of the Vietnamese make the rounds of the union's cities and towns, alone and in groups, in search of goods and, of course, in search of the extra money they need, which they frequently obtain with the aid of speculation.

They incur certain losses on these trips as well—in railroad stations, airports, bus stations, and hotels. They often get their train or airplane tickets from various types of smart dealers at obviously inflated prices, hotel administrators demand that they pay the same rates as foreign tourists (incidentally, they have no right at all to do this!), and the militia fines them for violating regulations.

Finally, they achieve their goal: The goods have been purchased and the sacred container has been sent to a steamship line. The first barrier has been crossed. Then they have to cross the second by finding themselves a way to leave. Following the container by sea would take almost a month and would take them almost all the way around the world. Railroad connections (through China) have not been restored yet. There is always Sheremetev-2, but there are weight restrictions on baggage and strict customs regulations, and anything against regulations is confiscated during the inspection—along with everything acquired illegally.

I already described how all of this happens at the beginning of my article....

When I arrived in Hanoi, I went to the Ministry of Labor and asked them for their point of view on the problems of the Vietnamese workers in the Soviet Union, especially the negative events that occur when they fly out of Moscow. Ministry official Tran Lich began by putting everything in the right perspective:

"First of all," he said, "we have to remember that Vietnam wants to continue this cooperation and to maintain the friendship between our populations. The

economic benefits in this area are mutual. I do not think I have to prove this. It is no coincidence that the managers of the enterprises employing the Vietnamese workers offer to extend the contracts.

"There is no shortage of problems, however. I will not discuss production problems because they will be solved eventually. As for all of the various altercations with Soviet customs officials, believe me, we conduct a thorough investigation in each specific case.

"Of course," Tran Lich went on to say, "we realize that at this time of acute shortages of commodities in the Soviet Union, the television and newspaper reports of medicines, irons, and sauce-pans being taken out of the country in quantities exceeding all permissible limits cannot arouse the sympathy or affection of the Soviet people. There is no question that some of these violations are committed by Vietnamese, but there are black sheep in every flock, as the saying goes, and we take the strictest measures against the workers who break the Soviet laws: They are recalled to their native land, where they face administrative and criminal penalties. We do this in conjunction with Soviet law enforcement agencies. I am in favor of glasnost, but it would probably be wrong to portray the Vietnamese worker as a petty thief doing his best to destroy a great country. After all, the overwhelming majority are men of integrity who do their work conscientiously.

"Incidentally," Tran Lich remarked, "Soviet citizens take any consumer goods they want out of Vietnam in any quantity, and no one tries to stop them here....

"In view of the difficulties in the Soviet trade network," he went on to say, "we have suggested that the Vietnamese working in your country receive part of their wages in the form of the products of the enterprises employing them. Many of our partners—the directors of these enterprises—approve of this form of payment. Finally, the time has come to solve the problem of airline tickets as well. After all, several thousand Vietnamese, including, in addition to workers, former university undergraduates and graduate students and academy students who have already completed their studies but cannot come back home because they have to wait 3 or 4 months for an airplane ticket."

I did not receive an answer in the ministry to the question of what these "former students" do, where they live, and what their present "status" is. I can only guess that many of them devote all of their time to a profession they mastered with proficiency during their years of study—speculation and the acquisition and shipment of goods.

In general, as all of the people I spoke with said, there is much to think about, especially on the eve of the Soviet economy's transition to the market and the onset of a new phase in our cooperation, when we will be using world prices and hard currency in our transactions with

one another. A new intergovernmental agreement, proposing that the hiring contracts of Vietnamese workers be concluded directly between enterprises, has now been drafted.

Will our plants and combines be able to provide the foreigners who have been invited to work on our machine tools and assembly lines with the living and working conditions they deserve, the social rights they have been guaranteed, and the wages they want? We will know the answer in the near future.

Vietnam's Economic Achievements Assessed

91UF0272A Moscow ARGUMENTY I FAKTY
in Russian No 51, Dec 90, p 2

[Article by Ye. Vasilkov, candidate of historical sciences, under the rubric "Vietnam Has Emerged in Third Place in the World Among Rice Exporters": "Vietnamese Renewal: Roses and Thorns"]

[Text]

Processes are occurring in Vietnam which are permitting experts to begin talking about a "Vietnamese Economic Miracle."

Decisions of the 6th Vietnamese Communist Party Congress (December 1986) initiated these processes. The policy it approved was called the "Policy of Renewal." The Communist Party of Vietnam took the Leninist NEP [New Economic Policy] concept as the basis for it.

Radical economic reform has been stressed. Its main elements are radical restructuring of the economic mechanism, a transition from administrative-command methods to primary utilization of market levers, and legislative consolidation of the multi-structured nature of the economy. Transfer of land to peasants under long-term leases (15 years or more) has begun and stable leasing fees and agricultural taxes have been established in the countryside where more than 80 percent of the population resides.

A policy has also been implemented to attract foreign capital into the country. The National Assembly adopted a law on foreign investment which authorizes the establishment of enterprises on Vietnamese territory that are completely foreign-owned. The government has already issued licenses worth 1.3 billion dollars to foreign firms and enterprises. The opening of "economic export zones" is becoming a promising direction. The first economic export zone is being established right now near Ho Chi Minh City and the next two in other major cities: Da Nang and Haiphong.

The First Fruit of Reform

They did not have to wait long for the results of radical economic reform. The market became spasmodically saturated with consumer goods. A series of anti-inflation measures permitted reduction of the annual price increase index from the catastrophic mark of 400 percent

in 1988 to 18.6 percent in 1989. Incomes and the standard of living have increased for a significant portion of the population.

Granting peasants a free hand was very rapidly effective. Last year a record harvest of food crops—20.7 million tons—was gathered in Vietnam. This permitted not only satisfaction of the population's needs and creation of state food reserves but also initiation of rice exports. Nearly 1.5 million tons (including 300,000 tons to the Soviet Union) were exported. Vietnam was third in the world among rice exporters (after the United States and Thailand).

Ho Chi Minh City, the former Saigon where people have not yet had time to lose the skills necessary to live under market economy conditions, became the engine of the country's economic spurt.

"We Did Everything the Way You Taught Us"

The slogan "A Rich People—a Rich Country" is in fashion right now in Vietnam. Both the state and public opinion are encouraging entrepreneurial activity in every way. It is thought that any citizen who increases his family's capital contributes to the development of the country as a whole.

Two of my acquaintances—a social scientist and a state apparatus employee—"do business" besides their primary jobs. One maintains a farm with 10,000 chickens and the other a coconut plantation. Naturally the farms generate greater personnel incomes for them that far exceed their salaries. However, no one (besides, of course, the financial inspector) looks into their pockets or thinks of their money in a fit of envy.

The Vietnamese, who are legitimately proud of their achievements in implementing the NEP concept, told us: "We did everything just like Soviet professors taught us ten years ago."

And yet the economic situation in Vietnam remains difficult for the time being and the positive trends have not acquired an irreversible nature. Up to 30 percent of state enterprises are operating ineffectively under market economy conditions. The number of totally unemployed in the cities totals 1.5 million people. The population's property stratification is increasing. The primarily agrarian nature of the economy is having a negative impact on its stability. This year the prospects for the harvest are worse than last year and as a result rice prices have also gone up once again and the prices for many other commodities subsequently increased.

"Look Out: Politics!"

While encouraging extensive economic freedom, the Vietnamese Communist Party is at the same time advocating a "quite careful, well-thought out approach" with regard to political reform. They think that they initially need to complete economic reform and achieve a higher

standard of living for the population and to transition to radical political transformations only on this basis.

However, definite work is already being conducted to improve the political system. The new composition of the National Assembly (parliament) has been elected on an alternative basis and its role in the life of the country is being increased. A series of laws have been adopted that reinforce progress toward a rule-of-law state—laws on land, citizenship, people's soviets, religious organizations, the press, etc. A sweeping revision of the constitution is also on the agenda that takes into account the country's transition to a market economy.

At the same time, the 8th Vietnamese Communist Party Plenum (March 1990) announced the unacceptability of introducing political pluralism and a multi-party system for Vietnam at the current stage. The Vietnamese Communist Party leadership thinks that accelerating the processes of democratization could cause unpredictable social convulsions like the ones that are occurring right now in the USSR and in the countries of Eastern Europe.

At the same time, Vietnamese leaders understand that development of a market economy far and wide and changes in the structure of socio-economic relations (already right now the private sector's share of Vietnam's gross national product has reached 42 percent) will inevitably place the need for profound political transformations on the agenda in the future.

On a New Basis but on Friendly Terms

The Vietnamese leadership continues to view cooperation with the USSR as a key element of the SRV's [Socialist Republic of Vietnam] foreign policy strategy.

Here priority is assigned to trade and economic cooperation which, in the opinion of both parties, must become more effective and mutually advantageous.

Soviet economists are concerned about Vietnam's large debt (over 9 billion rubles) and the trade imbalance between the two countries. According to the assurances of Vietnamese leaders, during the next five-year plan Vietnam will be able to begin to gradually pay off its debt if the current dynamics of its development are maintained. The Vietnamese intend to already resolve the second problem next year through the anticipated increase of the volume of shipments to the USSR. If the ratio between Soviet and Vietnamese shipments previously equaled 4:1, in 1990 it is already 1.5:1 and next year it will be 1.2:1.

Utilization of a Vietnamese work force in the USSR (nearly 75,000 people) is an important form of cooperation. There are also difficulties here which our press has reported, in particular, the fact that Vietnamese workers "are engaged in speculation and in cornering shortage goods," that the contingent selection process is poorly organized in Vietnam, etc..

Obviously, there is some truth to this. But we think that the main thing is still in the conditions that have objectively taken shape. When the agreement on admitting Vietnamese workers into the USSR was signed in 1981, the current catastrophic commodities shortage still did not exist in the USSR. A dead end situation has developed today. While receiving salaries in "wooden" rubles, Vietnamese workers cannot only not transfer them to their banks but they also cannot use them to purchase needed goods. And even if they manage to

purchase them, they have the right to send just a strictly limited minimum to their homeland.

Maybe it would be simpler to decline the Vietnamese work force. However, the leadership of practically all Soviet enterprises where the Vietnamese work are against this. There is only one way out—to revise the agreement and bring it into compliance with the current situation.

Afghan Ambassador Discusses Soviet POW's

*91UF0252A Moscow MOSKOVSKAYA PRAVDA
in Russian Nov 90 p 3*

[Report on conversation with Afghanistan Ambassador M.D. Razmyar by MOSKOVSKAYA PRAVDA correspondent M. Stoyanov under the rubric "Diplomatic Audience": "We Will Accept Any Choice the People Make"]

[Text] This time, the meeting did not occur on the initiative of a journalist. Mohammad Daud Razmyar, ambassador of the Republic of Afghanistan to the USSR, invited a representative of the editorial office for a conversation. In his words, he wanted to discuss objectively the situation now emerging in his country and to outline the position of his government in conjunction with this, including the position on the issue of Soviet prisoners of war. From the ambassador's point of view, some Soviet mass media have not necessarily been covering the situation in Afghanistan accurately and have been paying a great deal of attention to those searches for a solution to the issue of the prisoners of war which, in his opinion, appear to be ineffective.

I will not touch on all aspects of our conversation. I will only dwell on the main issues which it appears to me my interlocutor wanted to emphasize.

First of all, the political situation in Afghanistan itself. In the words of the ambassador, it is more stable now, despite continuing hostilities. He attributed this to the following causes. This year, a new constitution of the country was adopted which did away with the monopoly of a single party. This paved the way for political pluralism. This eliminated to a quite considerable degree, if not altogether, the mistrust and reservations which representatives of various social strata have had about the Kabul regime. The most diverse parties may now participate in political and public life on an equal footing. The formation of a new government, including political figures well-known and popular in the past, became a specific confirmation of this process. Notably, about 70 percent of the new cabinet members are non-party individuals.

The ambassador believes that the Second Congress of the PDPA [People's Democratic Party of Afghanistan], which was renamed the Party of the Afghan Motherland, is another important factor. From now on, its statute and program are as close as possible to the real conditions of life in the country; they reflect the interests of the broadest strata of the populace. At the same time, intra-party activities themselves are receptive to truly democratic principles. The dogmatic postulates which shackled it were thrown off. If we add to this the growing international understanding and support for Kabul's efforts to ensure a peaceful settlement, and the fact that the republic has proven its vitality in the 20 months of its military effort against the steadfast opposition whose leaders are located in Peshawar, Pakistan, it is easy to

understand why the degree of the population's confidence in us is growing, observed the ambassador. Despite tremendous difficulties, the authorities are doing everything to provide the minimum necessities for the people residing on territory controlled by Kabul. The government is attempting to expand the industrial infrastructure, providing equal development opportunities for not only state but also private enterprises which are seeking external markets quite vigorously and flexibly.

This is how the ambassador responded to a question about the share of territory controlled by the Kabul regime (leaders of the armed opposition maintain that they control up to 90 percent of Afghan territory): At present, we hold most large and small cities, and we have virtually total control of the situation. In his words, the fact that the opposition leaders, who have ensconced themselves in Peshawar, refuse to agree to general direct elections under UN control, which Kabul has proposed to hold, also testifies to this. If they feel so confident, said the ambassador, why are they afraid of an open choice by the people? As far as we are concerned, we will accept any verdict which a majority of Afghans renders. So far, nobody has put forth any other constructive program to resolve the Afghan problem.

At the same time, we are ready for a dialogue with the opposition, we are prepared to meet at any time and anywhere in order to discuss the future of Afghanistan, said the ambassador. We have said, and we repeat again: The war which has already claimed hundreds of thousands of lives and which has destroyed 2 million dwellings cannot and should not be a way to solve Afghan problems. This is why it is necessary, first of all, for the two sides to declare a cease-fire, suspend outside shipments of armaments to them, and create a coordinating committee to develop a new constitution and prepare democratic elections. Let the people elect the government they see fit. However, one gets the impression that some leaders of the opposition are afraid of an open political contest, being aware of their declining prestige among the populace which has been undermined by the misappropriation of generous Western so-called "humanitarian" aid and participation in the drug business.

In this case, with what forces can a dialogue be carried on? In Razmyar's opinion, there are signs of a shift in the position of the centrist circles in Peshawar toward a realistic direction; a more sober and balanced approach on the part of some Western countries is being registered. In all of this, he said, it is absolutely obvious that no matter what efforts are made on an international basis the problems of Afghanistan should be solved by the Afghans themselves. It is very important to have objective and balanced information on all aspects of the situation in Afghanistan in order to solve all of these problems.

In this reference, the ambassador touched on the issue of releasing Soviet prisoners of war held by the armed Afghan opposition. In his words, it was precisely the effort of the Kabul government that facilitated the

release of some of our young men. We feel a great responsibility for the fate of others, and we will do everything in our power for them to return to their families as soon as possible.

At the same time, in the words of the ambassador, some individuals, including those in the USSR, are attempting to exploit the problem of Soviet prisoners of war for their personal political ends by maintaining continuous contacts with Peshawar where, in the opinion of my interlocutor, this issue is viewed as a political bargaining chip. In this reference, the ambassador pointed to the activities of the All-Union Association of Families of Soviet Prisoners of War, headed by I. Andronov. In the process, observed the ambassador, some Soviet mass media cover this problem in a one-sided manner, emphasizing the work of this organization alone, despite the fact that, in his words, it is not producing effective results. He noted that relevant contacts should be established inside Afghanistan itself rather than in Peshawar, and a dialogue should be carried on first of all with the legitimate government of the country. It also needs to be taken into account that many Soviet prisoners of war are being held by the mujahidin field commanders, indicated the ambassador. A majority of these commanders are independent of the Peshawar leaders. It is in this direction that the Kabul authorities are working in an effort to ensure practical results—a release of Soviet prisoners—sooner.

The ambassador emphasized this issue in particular. He also stressed the efforts to bring to the Soviet people more accurate information on Kabul's policy and the path the Republic of Afghanistan has now taken.

Of course, some people may disagree with some of the ambassador's arguments, especially on an issue as painful to us as the fate of the prisoners of war, or regarding the objectivity of our press in covering the situation in Afghanistan. However, I considered it my duty to render the essence of my conversation with the representative of a country to which we are bound by more than just a common border.

Israeli-Palestinian Conflict Still Hot Spot

91UF0291A Moscow KRASNAYA ZVEZDA in Russian
13 Dec 90 First Edition p 3

[Article by Aleksandr Smirnov, international journalist, candidate of historical sciences: "An Explosion Is Possible Not Only in the Persian Gulf"]

[Text] *A business trip to a "hot spot."*

The intifadah—a Palestinian uprising—has been going on for four years. The confrontation between Palestinians and Israeli occupation forces is becoming increasingly ferocious and dangerous. A series of resolutions adopted by the UN General Assembly on 6 December condemns the Israeli policy, which violates human rights in the occupied territories, and speaks of the need for a rapid convocation of a world conference on the Near East. Only

the United States and Israel voted against the adoption of each of the five resolutions on the Palestine issue.

We are publishing an article by an international journalist and candidate of historical sciences, Aleksandr Smirnov, in which he shares his thoughts on a recent trip to the occupied territories and to Israel.

"Via Dolorosa"—the way of the cross along which they took Jesus Christ to Golgotha. This ancient narrow street in the old part of Jerusalem was at one time steeped in religious piety. Now there are more Israeli soldiers armed to the teeth and policemen combing the path to the Grave of the Lord than there are tourists. On the walls and doors one can see daily signs of the "war of slogans"—soldiers force tradesmen to use black paint to cover up appeals to the leaders of the intifadah and slogans in support of the UN and 'Arafat; sometimes they paint their own abusive words against the Palestinians. Right at the Damascus Gate in the heart of Arab Jerusalem soldiers stand guard day and night over the building which houses General Ari'el Sharon, well known as the hangman of Beirut, Sabra, and Shatila, who is now employed as the minister of housing construction.

The Al-Aqsa Mosque is the third holy place in the Muslim world after Mecca and Medina. A crime was committed here on 8 October: The gunfire of running Israeli police and border guards killed 21 Palestinians and wounded more than 200. Even a month after this tragedy traces of the evil deed could be seen on every square meter of the mosque: blood spots on the priceless carpets in the covered part of the mosque, bloody tracks on the marble-paved courtyard, chinks in the ancient columns. A colleague and I had to work hard to make our way through several military and police cordons to the mosque and meet with eyewitnesses to the slaughter. The director of the Administration of Awqaf (religious property and Islamic institutions), 'Adnan Husayn, the head interpreter of the mosque, Muhammad Dajjani, and other eyewitnesses presented an array of concrete evidence refuting the official version of the Shamir government to the effect that the tragedy was provoked by Palestinians who started throwing rocks at Jews who were praying at the Wailing Wall. It is extremely surprising that certain Soviet journalists in their articles accepted Shamir's arguments as the truth even though they were criticized in Israel itself, the United States, and other Western countries.

After 8 October Israeli television was unable to show a single wounded policeman or Israeli civil patrolman who was wounded by rocks. The violence against the praying Palestinians was planned beforehand. The group of praying Jews was removed from the area in front of the Wailing Wall long before the firing began. The majority of Arabs who died went to their death some 200 and more meters away from the place from which rocks could have been thrown to hit the policemen, not to mention the praying Jews. The real instigators in this case are the Israeli extremists from the organization called "Temple Mount Faithful" who are always trying

to invade the territory of Muslim holy places, followers of the extremist leader Me'ir Kahane who was killed recently in New York, and the police leaders themselves who gave the order to fire.

From any hill in Jerusalem one can see how the new Jewish quarters almost surround the Arab regions of the city. In the next three years A. Sharon plans to build 20,000 apartments here for emigrants from the USSR.

There could be a spontaneous outburst at any moment in Gaza where, under the roar of machine guns and automatic rifles, in inhuman conditions, 800,000 Palestinians live in poverty on a section of land 40 kilometers long by eight kilometers wide. The Gaza sector is distinguished from the other occupied Arab territories by its lower standard of living and mass unemployment. Under these conditions the Israeli authorities in recent weeks have begun to refuse to allow tens of thousands of refugees living in the camps in the Gaza region to come to Israel to work. These people are deprived of a means of existence and, in addition to this, each day they are subjected to all kinds of degradation and their lives are constantly in danger. The repressive measures of those who inflict the punishment in the Gaza Strip are distinguished by special cruelty. About 600 people were wounded in the month of October alone, and the central jail in Gaza has been given the depressing name of "the central slaughterhouse."

All of the city of Nablus is an arena where the unarmed population fights with the Israeli Army and police. Occupants will not risk entering the internal quarters of the city in groups of less than ten. "Shock groups"—the prototype of the future national Palestinian police—march almost at will there and Palestinian flags are raised. But the leader of the local trade unions Shakir Sa'd told us about the desperate need threatening the residents of Nablus because of the ban by Israel authorities on the entry of Arab workers into the territory of Israel.

In Nablus we managed to learn about the activity of the Palestinian people's committees who took it upon themselves to solve the problems of daily life. They have made good arrangements for distributing food and rendering material aid to the poor and needy. In the city and

its outskirts they have cultivated vacant plots of land for raising vegetables. They have set up a service to report on the actions and movements of the occupation troops. In order to arrest an active participant of the intifadah without making a lot of fuss, Israeli special services are now resorting to tricks and posing as tradesmen, foreign journalists, and even American tourists.

Of course, in Israel itself one can see much that it is interesting and positive: first-class hospitals, scientific centers, model farms, and kibbutzim. Far from all Israelis are hostile to the Arabs, including the military. But everything is spoiled by the openly anti-Arab policy of the authorities and the right-wing Israeli parties who are sowing hatred not only toward Palestinians but also toward the peaceloving forces of Israel.

What are the Israeli leaders thinking about? They are worried not about peace but about strengthening the military might of Israel, its superiority over the Arab countries in strategic relations, and colonization of land that does not belong to it. Two years have passed since the Palestinian peace initiative, and although dialogue between the Arabs and the Jews is still possible today, tomorrow events might occur which will close off the path to peace. Israel could coexist peacefully in the future if it would "join" the region and become a part of the Near East. But Shamir and his comrades-in-arms, in their lust for power, are throwing away the hopes for a peaceful future for Israel.

Under conditions during the years of the intifadah in which every third adult Palestinian was arrested and jailed, when the number of Arabs who were killed runs into the hundreds, anger and gloomy despair are growing among the Palestinian population. Seeing that the countries of the West are stubbornly insisting on implementing UN decisions with respect to Iraq's actions and are doing little to force Israel to carry out the decisions of the world community, many Palestinians are preparing themselves for extreme methods to fight against the terror of the occupation troops.

World public opinion, engaged with the crisis in the gulf region, does not have the right to forget about the tragic situation in occupied Palestine. The problem of fair regulation in the Near East and protection of the inalienable rights of the Palestinian people has become crucial.

Unfinished Soviet Projects Exacerbate Nigerian Debt

91UF0284A Moscow ARGUMENTY I FAKTY
in Russian No 52, Dec 90 p 5

[Article by S. Yuryev: "A Gift to Africa" or the 'Construction Project of the Century'—Nigeria's Debt to the USSR Has Reached 26.7 Million Rubles"]

[Text] *The metallurgical combine in the city of Ajaokuta (Nigeria) is one of the giant industrial installations which Soviet specialists began to erect as early as the "stagnant" year 1980. However, five "perestroyka" years have now come and gone but there is no end to the construction in sight.*

As early as 1976, the Soviet foreign trade association Tyazhpromeksport and the Nigerian "Ajaokut Steel Company" signed an agreement on the construction in Nigeria of the largest metallurgical combine in Africa with a capacity of 1.3 million tons of metal per year. The Soviet side undertook to perform all general construction work, whereas the French and the Germans were responsible for preparing the site.

N. Inochkin, director of the Sovafro company which is building the combine, describes the current state of affairs in Ajaokuta:

[Yuryev] The plan provided for the transfer of a turnkey project to the Nigerians as early as 1986...

[Inochkin] Indeed, work has been delayed, but because of the difficult financial situation Nigeria is facing rather than through our fault. We have already erected 90 percent of all facilities, including rolling mills. However, the date of commissioning of the combine has now been rescheduled again, this time to 1991.

[Yuryev] Could it be that the Soviet side will altogether fail to collect payments because of Nigeria's difficult financial situation?

[Inochkin] I must say that Nigeria is one of the richest African states which pays us for construction in hard currency rather than promises. The Soviet side has already received more than 530 million foreign-currency rubles from Nigeria. However, the management of the International Monetary Fund and the World Bank have now demanded that the Nigerians freeze payments for the construction of the Ajaokuta combine. The receipt of loans amounting to \$500 million from Western banks will depend on how "obedient" Nigeria is.

[Yuryev] Perhaps, this is not the main reason. For example, it has now been learned that we have built a combine (it was designed in Leningrad) which will not be able to operate normally due to the absence of raw materials and transportation routes...

[Inochkin] These problems do exist, but we are not responsible for them. They are the concern of the Nigerian side.

[Yuryev] Is the construction of such gigantic facilities abroad justified? Could it be that skilled specialists have nothing to work on at home?

[Inochkin] The Ajaokuta construction project indicates that cooperation of this nature with Third World countries needs to be developed. States which purchase our technology are few, and we should value such contracts.

Here is the opinion of Z.M. Kazaure, ambassador of the Federal Republic of Nigeria to the USSR, on this topic:

[Yuryev] Western "radio voices" have reported that Nigeria has suspended financing for the construction project in Ajaokuta, which has already cost \$650 million, due to a lack of confidence in Soviet specialists...

[Kazaure] This information is not true. Nigeria is interested in completing the construction of the facility and continues to have confidence in Soviet specialists. Those in the Soviet Union who believe that Nigeria is receiving this combine as some sort of gift from your country are also mistaken.

[Yuryev] In the last two or three years, Nigeria has stopped paying the USSR for the construction of the combine...

[Kazaure] Facing a difficult financial situation, the Government of Nigeria asked to delay payments for four to five years. The Soviet side, which faces difficult economic conditions itself, demands that the payments be made immediately. I think that some kind of compromise needs to be worked out.

Commentary by a Specialist

In 1989, the USSR cooperated with 47 African states, completing 348 projects in these states and preparing 300 for implementation. Many facilities were "political gifts" of sorts, for example, a tractor plant in Ethiopia, and some other enterprises.

We built primarily in states with so-called socialist orientation, whereas cooperation with those who could indeed pay the USSR well was rejected for political considerations.

The construction of a metallurgical combine with the help of the USSR in the city of Ajaokuta is the exception rather than the rule.

[signed] L. Geveling, chief of laboratory at the USSR Academy of Sciences Institute of Africa, candidate of historical sciences

Finally, we publish at the request of our readers a list of the 10 African states which owe the most to the USSR (in billion rubles):

Ethiopia—2.860

Algeria—2.519

Angola—2.028

Egypt—1.711
Libya—1.707
Mozambique—0.808
Tanzania—0.310
Mali—0.285
Somalia—0.260
Guinea—0.258

New Organization for Soviet Africanists Created

91P50069A

[Editorial Report] Moscow AZIYA I AFRIKA SEG-ODNYA in Russian No 11 of November 1990 publishes on page 38 an article entitled "Soviet Africanists Unite" by B. Krivtsov, which announces the creation of a new public organization called the Association of Soviet Africanists (ASA). This organization was formed to utilize the experience and unite the efforts of all scholars, state and public figures, individuals employed in the fields of culture and art, and business representatives who have dealings with Africa. These individuals are

involved in "studying the African continent, strengthening the friendship and furthering economic ties with African countries, broadening the ideas of the Soviet people with respect to the lives of the peoples of Africa."

The new organization will primarily concentrate its efforts on "the development of Soviet-African relations on the principles of the new thinking, the study of the problems of the critical socioeconomic position in Africa and its resolution, the analysis of the problems of history, culture, art, science, and education."

The highest organ of the association, the General Assembly, will convene once every five years. A management board consisting of 60 people is to meet yearly in order to resolve current problems. Routine operation of the association will be handled by a presidential council headed by the director of the Africa Institute of the USSR Academy of Sciences, corresponding member An. A. Gromyko.

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